

111TH CONGRESS
1ST SESSION

H. R. 2336

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2009

Mr. PERLMUTTER (for himself, Mrs. BIGGERT, Mr. BLUMENAUER, Mr. ELLISON, Mr. FRANK of Massachusetts, Mr. GUTIERREZ, Mr. HODES, Mr. ISRAEL, Mr. MARKEY of Massachusetts, Mrs. MCCARTHY of New York, Mr. MCNERNEY, Mr. SHERMAN, Mr. SIRES, Ms. TSONGAS, and Mr. HIMES) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Green Resources for Energy Efficient Neighborhoods Act
6 of 2009” or the “GREEN Act of 2009”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Definitions.
- Sec. 3. Implementation of energy efficiency participation incentives for HUD programs.
- Sec. 4. Basic HUD energy efficiency standards and standards for additional credit.
- Sec. 5. Energy efficiency and conservation demonstration program for multifamily housing projects assisted with project-based rental assistance.
- Sec. 6. Additional credit for Fannie Mae and Freddie Mac housing goals for energy-efficient and location-efficient mortgages.
- Sec. 7. Duty to serve underserved markets for energy-efficient and location-efficient mortgages.
- Sec. 8. Consideration of energy efficiency under FHA mortgage insurance programs and Native American and Native Hawaiian loan guarantee programs.
- Sec. 9. Energy-efficient mortgages and location-efficient mortgages education and outreach campaign.
- Sec. 10. Collection of information on energy-efficient and location-efficient mortgages through Home Mortgage Disclosure Act.
- Sec. 11. Ensuring availability of homeowners insurance for homes not connected to electricity grid.
- Sec. 12. Mortgage incentives for energy-efficient multifamily housing.
- Sec. 13. Energy-efficient certifications for manufactured housing with mortgages.
- Sec. 14. Assisted housing energy loan pilot program.
- Sec. 15. Making it green.
- Sec. 16. Residential energy efficiency block grant program.
- Sec. 17. Including sustainable development and transportation strategies in comprehensive housing affordability strategies.
- Sec. 18. Grant program to increase sustainable low-income community development capacity.
- Sec. 19. HOPE VI green developments requirement.
- Sec. 20. Consideration of energy efficiency improvements in appraisals.
- Sec. 21. Housing Assistance Council.
- Sec. 22. Rural housing and economic development assistance.
- Sec. 23. Revolving fund for loans to States and Indian tribes to carry out renewable energy sources activities.
- Sec. 24. Green banking centers.
- Sec. 25. GAO reports on availability of affordable mortgages.
- Sec. 26. Public housing energy cost report.
- Sec. 27. Insurance coverage for loans for financing of renewable energy systems leased for residential use.
- Sec. 28. Green guarantees.

3 **SEC. 2. DEFINITIONS.**

4 For purposes of this Act, the following definitions
 5 shall apply:

1 (1) GREEN BUILDING STANDARDS.—The term
2 “green building standards” means standards to re-
3 quire use of sustainable design principles to reduce
4 the use of nonrenewable resources, encourage en-
5 ergy-efficient construction and rehabilitation and the
6 use of renewable energy resources, minimize the im-
7 pact of development on the environment, and im-
8 prove indoor air quality.

9 (2) HUD.—The term “HUD” means the De-
10 partment of Housing and Urban Development.

11 (3) HUD ASSISTANCE.—The term “HUD as-
12 sistance” means financial assistance that is awarded,
13 competitively or noncompetitively, allocated by for-
14 mula, or provided by HUD through loan insurance
15 or guarantee.

16 (4) NONRESIDENTIAL STRUCTURE.—The term
17 “nonresidential structures” means only nonresiden-
18 tial structures that are appurtenant to single-family
19 or multifamily housing residential structures, or
20 those that are funded by the Secretary of Housing
21 and Urban Development through the HUD Commu-
22 nity Development Block Grant program.

23 (5) SECRETARY.—The term “Secretary”, unless
24 otherwise specified, means the Secretary of Housing
25 and Urban Development.

1 **SEC. 3. IMPLEMENTATION OF ENERGY EFFICIENCY PAR-**
2 **TICIPATION INCENTIVES FOR HUD PRO-**
3 **GRAMS.**

4 (a) IN GENERAL.—Not later than 180 days after the
5 date of the enactment of this Act, the Secretary shall issue
6 such regulations as may be necessary to establish annual
7 energy efficiency participation incentives to encourage par-
8 ticipants in programs administered by the Secretary, in-
9 cluding recipients under programs for which HUD assist-
10 ance is provided, to achieve substantial improvements in
11 energy efficiency.

12 (b) REQUIREMENT FOR APPROPRIATION OF
13 FUNDS.—The requirement under subsection (a) for the
14 Secretary to provide annual energy efficiency participation
15 incentives pursuant to the provisions of this Act shall be
16 subject to the annual appropriation of necessary funds.

17 **SEC. 4. BASIC HUD ENERGY EFFICIENCY STANDARDS AND**
18 **STANDARDS FOR ADDITIONAL CREDIT.**

19 (a) BASIC HUD STANDARD.—

20 (1) RESIDENTIAL STRUCTURES.—A residential
21 single-family or multifamily structure shall be con-
22 sidered to comply with the energy efficiency stand-
23 ards under this subsection if—

24 (A) the structure complies with the appli-
25 cable provisions of the American Society of
26 Heating, Refrigerating, and Air-Conditioning

1 Engineers Standard 90.1–2007, as such stand-
2 ard or successor standard is in effect for pur-
3 poses of this section pursuant subsection (c);

4 (B) the structure complies with the appli-
5 cable provisions of the 2009 International En-
6 ergy Conservation Code, as such standard or
7 successor standard is in effect for purposes of
8 this section pursuant subsection (c);

9 (C) in the case only of an existing struc-
10 ture, where determined cost effective, the struc-
11 ture has undergone rehabilitation or improve-
12 ments, completed after the date of the enact-
13 ment of this Act, and the energy consumption
14 for the structure has been reduced by at least
15 20 percent from the previous level of consump-
16 tion, as determined in accordance with energy
17 audits performed both before and after any re-
18 habilitation or improvements undertaken to re-
19 duce such consumption; or

20 (D) the structure complies with the appli-
21 cable provisions of such other energy efficiency
22 requirements, standards, checklists, or ratings
23 systems as the Secretary may adopt and apply
24 by regulation, as may be necessary, for pur-
25 poses of this section for specific types of resi-

1 dential single-family or multifamily structures
2 or otherwise, except that the Secretary shall
3 make a determination regarding whether to
4 adopt and apply any such requirements, stand-
5 ards, checklists, or rating system for purposes
6 of this section not later than the expiration of
7 the 180-day period beginning upon the date of
8 receipt of any written request, made in such
9 form as the Secretary shall provide, for such
10 adoption and application.

11 In addition to compliance with any of subparagraphs
12 (A) through (D), the Secretary shall by regulation
13 require, for any newly constructed residential single-
14 family or multifamily structure to be considered to
15 comply with the energy efficiency standards under
16 this subsection, that the structure have appropriate
17 electrical outlets with the facility and capacity to re-
18 charge a standard electric passenger vehicle, includ-
19 ing an electric hybrid vehicle, where such vehicle
20 would normally be parked.

21 (2) NONRESIDENTIAL STRUCTURES.—For pur-
22 poses of this section, the Secretary shall identify and
23 adopt by regulation, as may be necessary, energy ef-
24 ficiency requirements, standards, checklists, or rat-
25 ing systems applicable to nonresidential structures

1 that are constructed or rehabilitated with HUD as-
2 sistance. A nonresidential structure shall be consid-
3 ered to comply with the energy efficiency standards
4 under this subsection if the structure complies with
5 the applicable provisions of any such energy effi-
6 ciency requirements, standards, checklist, or rating
7 systems identified and adopted by the Secretary pur-
8 suant to this paragraph, as such standards are in ef-
9 fect for purposes of this section pursuant to sub-
10 section (c).

11 (3) EFFECT.—Nothing in this subsection may
12 be construed to require any structure to comply with
13 any standard established or adopted pursuant to this
14 subsection, or identified in this subsection, or to pro-
15 vide any benefit or credit under any Federal pro-
16 gram for any structure that complies with any such
17 standard, except to the extent that—

18 (A) any provision of law other than this
19 subsection provides a benefit or credit under a
20 Federal program for compliance with a stand-
21 ard established or adopted pursuant to this sub-
22 section, or identified in this subsection; or

23 (B) the Secretary specifically provides pur-
24 suant to subsection (c) for the applicability of
25 such standard.

1 (b) ENHANCED ENERGY EFFICIENCY STANDARDS
2 FOR PURPOSES OF PROVIDING ADDITIONAL CREDIT
3 UNDER CERTAIN FEDERALLY ASSISTED HOUSING PRO-
4 GRAMS.—

5 (1) PURPOSE AND EFFECT.—

6 (A) PURPOSE.—The purpose of this sub-
7 section is to establish energy efficiency and con-
8 servation standards and green building stand-
9 ards that—

10 (i) provide for greater energy effi-
11 ciency and conservation in structures than
12 is required for compliance with the energy
13 efficiency standards under subsection (a)
14 and then in effect;

15 (ii) provide for green and sustainable
16 building standards not required by such
17 standards; and

18 (iii) can be used in connection with
19 Federal housing, housing finance, and de-
20 velopment programs to provide incentives
21 for greater energy efficiency and conserva-
22 tion and for green and sustainable building
23 methods, elements, practices, and mate-
24 rials.

1 (B) EFFECT.—Nothing in this subsection
2 may be construed to require any structure to
3 comply with any standard established pursuant
4 to this subsection or to provide any benefit or
5 credit under any Federal program for any
6 structure, except to the extent that any provi-
7 sion of law other than this subsection provides
8 a benefit or credit under a Federal program for
9 compliance with a standard established pursu-
10 ant to this subsection.

11 (2) COMPLIANCE.—A residential or nonresiden-
12 tial structure shall be considered to comply with the
13 enhanced energy efficiency and conservation stand-
14 ards or the green building standards under this sub-
15 section, to the extent that such structure complies
16 with the applicable provisions of the standards under
17 paragraph (3) or (4), respectively (as such standards
18 are in effect for purposes of this section, pursuant
19 to paragraph (7)), in a manner that is not required
20 for compliance with the energy efficiency standards
21 under subsection (a) then in effect and subject to
22 the Secretary’s determination of which standards are
23 applicable to which structures.

1 (3) ENERGY EFFICIENCY AND CONSERVATION
2 STANDARDS.—The energy efficiency and conserva-
3 tion standards under this paragraph are as follows:

4 (A) RESIDENTIAL STRUCTURES.—With re-
5 spect to residential structures:

6 (i) NEW CONSTRUCTION.—For new
7 construction, the Energy Star standards
8 established by the Environmental Protec-
9 tion Agency, as such standards are in ef-
10 fect for purposes of this subsection pursu-
11 ant to paragraph (7);

12 (ii) EXISTING STRUCTURES.—For ex-
13 isting structures, a reduction in energy
14 consumption from the previous level of
15 consumption for the structure, as deter-
16 mined in accordance with energy audits
17 performed both before and after any reha-
18 bilitation or improvements undertaken to
19 reduce such consumption, that exceeds the
20 reduction necessary for compliance with
21 the energy efficiency standards under sub-
22 section (a) then in effect and applicable to
23 existing structures.

24 (B) NONRESIDENTIAL STRUCTURES.—
25 With respect to nonresidential structures, such

1 energy efficiency and conservation require-
2 ments, standards, checklists, or rating systems
3 for nonresidential structures as the Secretary
4 shall identify and adopt by regulation, as may
5 be necessary, for purposes of this paragraph.

6 (4) GREEN BUILDING STANDARDS.—The green
7 building standards under this paragraph are as fol-
8 lows:

9 (A) The national Green Communities cri-
10 teria checklist for residential construction that
11 provides criteria for the design, development,
12 and operation of affordable housing, as such
13 checklist or successor checklist is in effect for
14 purposes of this section pursuant to paragraph
15 (7).

16 (B) The gold certification level for the
17 LEED for New Construction rating system, the
18 LEED for Homes rating system, the LEED for
19 Core and Shell rating system, as applicable, as
20 such systems or successor systems are in effect
21 for purposes of this section pursuant to para-
22 graph (7).

23 (C) The Green Globes assessment and rat-
24 ing system of the Green Buildings Initiative.

1 (D) For manufactured housing, energy
2 star rating with respect to fixtures, appliances,
3 and equipment in such housing, as such stand-
4 ard or successor standard is in effect for pur-
5 poses of this section pursuant to paragraph (7).

6 (E) The National Green Building Stand-
7 ard.

8 (F) Any other requirements, standards,
9 checklists, or rating systems for green building
10 or sustainability as the Secretary may identify
11 and adopt by regulation, as may be necessary
12 for purposes of this paragraph, except that the
13 Secretary shall make a determination regarding
14 whether to adopt and apply any such require-
15 ments, standards, checklist, or rating system
16 for purposes of this section not later than the
17 expiration of the 180-day period beginning upon
18 date of receipt of any written request, made in
19 such form as the Secretary shall provide, for
20 such adoption and application.

21 (5) GREEN BUILDING.—For purposes of this
22 subsection, the term “green building” means, with
23 respect to standards for structures, standards to re-
24 quire use of sustainable design principles to reduce
25 the use of nonrenewable resources, minimize the im-

1 pact of development on the environment, and to im-
2 prove indoor air quality.

3 (6) ENERGY AUDITS.—The Secretary shall es-
4 tablish standards and requirements for energy au-
5 dits for purposes of paragraph (3)(A)(ii) and, in es-
6 tablishing such standards, may consult with any ad-
7 visory committees established pursuant to section
8 5(c)(2) of this Act.

9 (7) APPLICABILITY AND UPDATING OF STAND-
10 ARDS.—

11 (A) APPLICABILITY.—Except as provided
12 in subparagraph (B), the requirements, stand-
13 ards, checklists, and rating systems referred to
14 in this subsection that are in effect for purposes
15 of this subsection are such requirements, stand-
16 ards, checklists, and systems are as in existence
17 upon the date of the enactment of this Act.

18 (B) UPDATING.—For purposes of this sec-
19 tion, the Secretary may adopt and apply by reg-
20 ulation, as may be necessary, future amend-
21 ments and supplements to, and editions of, the
22 requirements, standards, checklists, and rating
23 systems referred to in this subsection.

1 (c) AUTHORITY OF SECRETARY TO APPLY STAND-
2 ARDS TO FEDERALLY ASSISTED HOUSING AND PRO-
3 GRAMS.—

4 (1) HUD HOUSING AND PROGRAMS.—The Sec-
5 retary of Housing and Urban Development may, by
6 regulation, provide for the applicability of the energy
7 efficiency standards under subsection (a) or the en-
8 hanced energy efficiency and conservation standards
9 and green building standards under subsection (b),
10 or both, with respect to any covered federally as-
11 sisted housing described in paragraph (3)(A) or any
12 HUD assistance.

13 (2) RURAL HOUSING.—The Secretary of Agri-
14 culture may, by regulation, provide for the applica-
15 bility of the energy efficiency standards under sub-
16 section (a) or the enhanced energy efficiency and
17 conservation standards and green building standards
18 under subsection (b), or both, with respect to any
19 covered federally assisted housing described in para-
20 graph (3)(B) or any assistance provided with respect
21 to rural housing by the Rural Housing Service of the
22 Department of Agriculture.

23 (3) COVERED FEDERALLY ASSISTED HOUS-
24 ING.—For purposes of this subsection, the term
25 “covered federally assisted housing” means—

1 (A) any residential or nonresidential struc-
2 ture for which any HUD assistance is provided;
3 and

4 (B) any new construction of single-family
5 housing (other than manufactured homes) sub-
6 ject to mortgages insured, guaranteed, or made
7 by the Secretary of Agriculture under title V of
8 the Housing Act of 1949 (42 U.S.C. 1471 et
9 seq.).

10 **SEC. 5. ENERGY EFFICIENCY AND CONSERVATION DEM-**
11 **ONSTRATION PROGRAM FOR MULTIFAMILY**
12 **HOUSING PROJECTS ASSISTED WITH**
13 **PROJECT-BASED RENTAL ASSISTANCE.**

14 (a) **AUTHORITY.**—For multifamily housing projects
15 for which project-based rental assistance is provided under
16 a covered multifamily assistance program, the Secretary
17 shall, subject to the availability of amounts provided in
18 advance in appropriation Acts, carry out a program to
19 demonstrate the effectiveness of funding a portion of the
20 costs of meeting the enhanced energy efficiency standards
21 under section 4(b). At the discretion of the Secretary, the
22 demonstration program may include incentives for housing
23 that is assisted with Indian housing block grants provided
24 pursuant to the Native American Housing Assistance and
25 Self-Determination Act of 1996, but only to the extent

1 that such inclusion does not violate such Act, its regula-
2 tions, and the goal of such Act of tribal self-determination.

3 (b) GOALS.—The demonstration program under this
4 section shall be carried out in a manner that—

5 (1) protects the financial interests of the Fed-
6 eral Government;

7 (2) reduces the proportion of funds provided by
8 the Federal Government and by owners and resi-
9 dents of multifamily housing projects that are used
10 for costs of utilities for the projects;

11 (3) encourages energy efficiency and conserva-
12 tion by owners and residents of multifamily housing
13 projects and installation of renewable energy im-
14 provements, such as improvements providing for use
15 of solar, wind, geothermal, or biomass energy
16 sources;

17 (4) creates incentives for project owners to
18 carry out such energy efficiency renovations and im-
19 provements by allowing a portion of the savings in
20 operating costs resulting from such renovations and
21 improvements to be retained by the project owner,
22 notwithstanding otherwise applicable limitations on
23 dividends;

24 (5) promotes the installation, in existing resi-
25 dential buildings, of energy-efficient and cost-effec-

1 tive improvements and renewable energy improve-
2 ments, such as improvements providing for use of
3 solar, wind, geothermal, or biomass energy sources;

4 (6) tests the efficacy of a variety of energy effi-
5 ciency measures for multifamily housing projects of
6 various sizes and in various geographic locations;

7 (7) tests methods for addressing the various,
8 and often competing, incentives that impede owners
9 and residents of multifamily housing projects from
10 working together to achieve energy efficiency or con-
11 servation; and

12 (8) creates a database of energy efficiency and
13 conservation, and renewable energy, techniques, en-
14 ergy-savings management practices, and energy effi-
15 ciency and conservation financing vehicles.

16 (c) APPROACHES.—In carrying out the demonstra-
17 tion program under this section, the Secretary may—

18 (1) enter into agreements with the Building
19 America Program of the Department of Energy and
20 other consensus committees under which such pro-
21 grams, partnerships, or committees assume some or
22 all of the functions, obligations, and benefits of the
23 Secretary with respect to energy savings;

24 (2) establish advisory committees to advise the
25 Secretary and any such third-party partners on tech-

1 nological and other developments in the area of en-
2 ergy efficiency and the creation of an energy effi-
3 ciency and conservation credit facility and other fi-
4 nancing opportunities, which committees shall in-
5 clude representatives of homebuilders, realtors, ar-
6 chitects, nonprofit housing organizations, environ-
7 mental protection organizations, renewable energy
8 organizations, and advocacy organizations for the el-
9 derly and persons with disabilities; any advisory
10 committees established pursuant to this paragraph
11 shall not be subject to the Federal Advisory Com-
12 mittee Act (5 U.S.C. App.);

13 (3) approve, for a period not to exceed 10
14 years, additional adjustments in the maximum
15 monthly rents or additional project rental assistance,
16 or additional Indian housing block grant funds
17 under the Native American Housing Assistance and
18 Self-Determination Act of 1996, as applicable, for
19 dwelling units in multifamily housing projects that
20 are provided project-based rental assistance under a
21 covered multifamily assistance program, in such
22 amounts as may be necessary to amortize a portion
23 of the cost of energy efficiency and conservation
24 measures for such projects;

1 (4) develop a competitive process for the award
2 of such additional assistance for multifamily housing
3 projects seeking to implement energy efficiency, re-
4 newable energy sources, or conservation measures;
5 and

6 (5) waive or modify any existing statutory or
7 regulatory provision that would otherwise impair the
8 implementation or effectiveness of the demonstration
9 program under this section, including provisions re-
10 lating to methods for rent adjustments, com-
11 parability standards, maximum rent schedules, and
12 utility allowances; notwithstanding the preceding
13 provisions of this paragraph, the Secretary may not
14 waive any statutory requirement relating to fair
15 housing, nondiscrimination, labor standards, or the
16 environment, except pursuant to existing authority
17 to waive nonstatutory environmental and other ap-
18 plicable requirements.

19 (d) REQUIREMENT.—During the 4-year period begin-
20 ning 12 months after the date of the enactment of this
21 Act, the Secretary shall carry out demonstration programs
22 under this section with respect to not fewer than 50,000
23 dwelling units.

24 (e) SELECTION.—

1 (1) SCOPE.—In order to provide a broad and
2 representative profile for use in designing a program
3 which can become operational and effective nation-
4 wide, the Secretary shall carry out the demonstra-
5 tion program under this section with respect to
6 dwelling units located in a wide variety of geographic
7 areas and project types assisted by the various cov-
8 ered multifamily assistance programs and using a
9 variety of energy efficiency and conservation and
10 funding techniques to reflect differences in climate,
11 types of dwelling units and technical and scientific
12 methodologies, and financing options. The Secretary
13 shall ensure that the geographic areas included in
14 the demonstration program include dwelling units on
15 Indian lands (as such term is defined in section
16 2601 of the Energy Policy Act of 1992 (25 U.S.C.
17 3501), to the extent that dwelling units on Indian
18 land have the type of residential structures that are
19 the focus of the demonstration program.

20 (2) PRIORITY.—The Secretary shall provide pri-
21 ority for selection for participation in the program
22 under this section based on the extent to which, as
23 a result of assistance provided, the project will com-
24 ply with the energy efficiency standards under sub-
25 section (a), (b), or (c) of section 4 of this Act.

1 (f) USE OF EXISTING PARTNERSHIPS.—To the ex-
2 tent feasible, the Secretary shall—

3 (1) utilize the Partnership for Advancing Tech-
4 nology in Housing of the Department of Housing
5 and Urban Development to assist in carrying out the
6 requirements of this section and to provide education
7 and outreach regarding the demonstration program
8 authorized under this section; and

9 (2) consult with the Secretary of Energy, the
10 Administrator of the Environmental Protection
11 Agency, and the Secretary of the Army regarding
12 utilizing the Building America Program of the De-
13 partment of Energy, the Energy Star Program, and
14 the Army Corps of Engineers, respectively, to deter-
15 mine the manner in which they might assist in car-
16 rying out the goals of this section and providing edu-
17 cation and outreach regarding the demonstration
18 program authorized under this section.

19 (g) LIMITATION.—No amounts made available under
20 the American Recovery and Reinvestment Act of 2009
21 (Public Law 111–5) may be used to carry out the dem-
22 onstration program under this section.

23 (h) REPORTS.—

24 (1) ANNUAL.—Not later than the expiration of
25 the 2-year beginning upon the date of the enactment

1 of this Act, and for each year thereafter during the
2 term of the demonstration program, the Secretary
3 shall submit a report to the Congress annually that
4 describes and assesses the demonstration program
5 under this section.

6 (2) FINAL.—Not later than 6 months after the
7 expiration of the 4-year period described in sub-
8 section (d), the Secretary shall submit a final report
9 to the Congress assessing the demonstration pro-
10 gram, which—

11 (A) shall assess the potential for expanding
12 the demonstration program on a nationwide
13 basis; and

14 (B) shall include descriptions of—

15 (i) the size of each multifamily hous-
16 ing project for which assistance was pro-
17 vided under the program;

18 (ii) the geographic location of each
19 project assisted, by State and region;

20 (iii) the criteria used to select the
21 projects for which assistance is provided
22 under the program;

23 (iv) the energy efficiency and con-
24 servation measures and financing sources

1 used for each project that is assisted under
2 the program;

3 (v) the difference, before and during
4 participation in the demonstration pro-
5 gram, in the amount of the monthly assist-
6 ance payments under the covered multi-
7 family assistance program for each project
8 assisted under the program;

9 (vi) the average length of the term of
10 the such assistance provided under the
11 program for a project;

12 (vii) the aggregate amount of savings
13 generated by the demonstration program
14 and the amount of savings expected to be
15 generated by the program over time on a
16 per-unit and aggregate program basis;

17 (viii) the functions performed in con-
18 nection with the implementation of the
19 demonstration program that were trans-
20 ferred or contracted out to any third par-
21 ties;

22 (ix) an evaluation of the overall suc-
23 cesses and failures of the demonstration
24 program; and

1 (x) recommendations for any actions
2 to be taken as a result of the such suc-
3 cesses and failures.

4 (3) CONTENTS.—Each annual report pursuant
5 to paragraph (1) and the final report pursuant to
6 paragraph (2) shall include—

7 (A) a description of the status of each mul-
8 tifamily housing project selected for partici-
9 tion in the demonstration program under this
10 section; and

11 (B) findings from the program and rec-
12 ommendations for any legislative actions.

13 (i) COVERED MULTIFAMILY ASSISTANCE PRO-
14 GRAM.—For purposes of this section, the term “covered
15 multifamily assistance program” means—

16 (1) the program under section 8 of the United
17 States Housing Act of 1937 (42 U.S.C. 1437f) for
18 project-based rental assistance;

19 (2) the program under section 202 of the Hous-
20 ing Act of 1959 (12 U.S.C. 1701q) for assistance
21 for supportive housing for the elderly;

22 (3) the program under section 811 of the Cran-
23 ston-Gonzalez National Affordable Housing Act (42
24 U.S.C. 8013) for supportive housing for persons
25 with disabilities;

1 (4) the program under section 236 of the Na-
2 tional Housing Act (12 U.S.C. 1715z-1 for assist-
3 ance for rental housing projects;

4 (5) the program under section 515 of the Hous-
5 ing Act of 1949 (42 U.S.C. 1485) for rural rental
6 housing; and

7 (6) the program for assistance under the Native
8 American Housing Assistance and Self-Determina-
9 tion Act of 1996 (25 U.S.C. 4111).

10 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated to carry out this section,
12 including providing rent adjustments, additional project
13 rental assistance, and incentives, \$50,000,000 for each fis-
14 cal year in which the demonstration program under this
15 section is carried out.

16 (k) REGULATIONS.—Not later than the expiration of
17 the 180-day period beginning on the date of the enactment
18 of this Act, the Secretary shall issue any regulations nec-
19 essary to carry out this section.

20 **SEC. 6. ADDITIONAL CREDIT FOR FANNIE MAE AND**
21 **FREDDIE MAC HOUSING GOALS FOR ENERGY-**
22 **EFFICIENT AND LOCATION-EFFICIENT MORT-**
23 **GAGES.**

24 Section 1336(a) of the Housing and Community De-
25 velopment Act of 1992 (12 U.S.C. 4566(a)), as amended

1 by the Federal Housing Finance Regulatory Reform Act
2 of 2008 (Public Law 110–289; 122 Stat. 2654), is amend-
3 ed—

4 (1) in paragraph (2), by striking “paragraph
5 (5)” and inserting “paragraphs (5) and (6)”; and

6 (2) by adding at the end the following new
7 paragraph:

8 “(6) ADDITIONAL CREDIT.—

9 “(A) IN GENERAL.—In assigning credit to-
10 ward achievement under this section of the
11 housing goals for mortgage purchase activities
12 of the enterprises, the Director shall assign—

13 “(i) more than 125 percent credit, for
14 any such purchase that both—

15 “(I) complies with the require-
16 ments of such goals; and

17 “(II)(aa) supports housing that
18 meets the energy efficiency standards
19 under section 4(a) of the Green Re-
20 sources for Energy Efficient Neigh-
21 borhoods Act of 2009; or

22 “(bb) is a location-efficient mort-
23 gage, as such term is defined in sec-
24 tion 1335(e); and

“(ii) credit in addition to credit under
 clause (i), for any such purchase that
 both—

“(I) complies with the require-
 ments of such goals, and

“(II) supports housing that com-
 plies with the enhanced energy effi-
 ciency and conservation standards, or
 the green building standards, under
 section 4(b) of such Act, or both,

and such additional credit shall be given
 based on the extent to which the housing
 supported with such purchases complies
 with such standards.

“(B) TREATMENT OF ADDITIONAL CRED-
 IT.—The availability of additional credit under
 this paragraph shall not be used to increase any
 housing goal, subgoal, or target established
 under this subpart.”.

**SEC. 7. DUTY TO SERVE UNDERSERVED MARKETS FOR EN-
 ERGY-EFFICIENT AND LOCATION-EFFICIENT
 MORTGAGES.**

Section 1335 of Federal Housing Enterprises Finan-
 cial Safety and Soundness Act of 1992 (12 U.S.C. 4565),
 as amended by the Federal Housing Finance Regulatory

1 Reform Act of 2008 (Public Law 110–289; 122 Stat.
2 2654), is amended—

3 (1) in subsection (a)(1), by adding at the end
4 the following new subparagraph:

5 “(D) MARKETS FOR ENERGY-EFFICIENT
6 AND LOCATION-EFFICIENT MORTGAGES.—

7 “(i) DUTY.—Subject to clause (ii), the
8 enterprise shall develop loan products and
9 flexible underwriting guidelines to facilitate
10 a secondary market for energy-efficient
11 and location-efficient mortgages on hous-
12 ing for very low-, low-, and moderate-in-
13 come families, and for second and junior
14 mortgages made for purposes of energy ef-
15 ficiency or renewable energy improvements,
16 or both.

17 “(ii) AUTHORITY TO SUSPEND.—Not-
18 withstanding any other provision of this
19 section, the Director may suspend the ap-
20 plicability of the requirement under clause
21 (i) with respect to an enterprise, for such
22 period as is necessary, if the Director de-
23 termines that exigent circumstances exist
24 and such suspension is appropriate to en-

1 sure the safety and soundness of the port-
2 folio holdings of the enterprise.”;

3 (2) by adding at the end the following new sub-
4 section:

5 “(e) DEFINITIONS.—For purposes of this section, the
6 following definitions shall apply:

7 “(1) ENERGY-EFFICIENT MORTGAGE.—The
8 term ‘energy-efficient mortgage’ means a mortgage
9 loan under which the income of the borrower, for
10 purposes of qualification for such loan, is considered
11 to be increased by not less than \$1 for each \$1 of
12 savings projected to be realized by the borrower as
13 a result of cost-effective energy-saving design, con-
14 struction or improvements (including use of renew-
15 able energy sources, such as solar, geothermal, bio-
16 mass, and wind, super-insulation, energy-saving win-
17 dows, insulating glass and film, and radiant barrier)
18 for the home for which the loan is made.

19 “(2) LOCATION-EFFICIENT MORTGAGE.—The
20 term ‘location-efficient mortgage’ means a mortgage
21 loan under which—

22 “(A) the income of the borrower, for pur-
23 poses of qualification for such loan, is consid-
24 ered to be increased by not less than \$1 for
25 each \$1 of savings projected to be realized by

1 the borrower because the location of the home
 2 for which loan is made will result in decreased
 3 transportation costs for the household of the
 4 borrower; or

5 “(B) the sum of the principal, interest,
 6 taxes, and insurance due under the mortgage
 7 loan is decreased by not less than \$1 for each
 8 \$1 of savings projected to be realized by the
 9 borrower because the location of the home for
 10 which loan is made will result in decreased
 11 transportation costs for the household of the
 12 borrower.”.

13 **SEC. 8. CONSIDERATION OF ENERGY EFFICIENCY UNDER**
 14 **FHA MORTGAGE INSURANCE PROGRAMS AND**
 15 **NATIVE AMERICAN AND NATIVE HAWAIIAN**
 16 **LOAN GUARANTEE PROGRAMS.**

17 (a) FHA MORTGAGE INSURANCE.—

18 (1) REQUIREMENT.—Title V of the National
 19 Housing Act is amended by adding after section 542
 20 (12 U.S.C. 1735f–20) the following new section:

21 **“SEC. 543. CONSIDERATION OF ENERGY EFFICIENCY.**

22 “(a) UNDERWRITING STANDARDS.—The Secretary
 23 shall establish a method to consider, in its underwriting
 24 standards for mortgages on single-family housing meeting
 25 the energy efficiency standards under section 4(a) of the

1 Green Resources for Energy Efficient Neighborhoods Act
2 of 2009 that are insured under this Act, the impact that
3 savings on utility costs has on the income of the mort-
4 gator.

5 “(b) GOAL.—It is the sense of the Congress that, in
6 carrying out this Act, the Secretary should endeavor to
7 insure mortgages on single-family housing meeting the en-
8 ergy efficiency standards under section 4(a) of the Green
9 Resources for Energy Efficient Neighborhoods Act of
10 2009 such that at least 50,000 such mortgages are in-
11 sured during the period beginning upon the date of the
12 enactment of such Act and ending on December 31,
13 2012.”.

14 (2) REPORTING ON DEFAULTS.—Section 540(b)
15 of the National Housing Act (12 U.S.C. 1735f–
16 18(b)) is amended by adding at the end the fol-
17 lowing new paragraph:

18 “(3) With respect to each collection period that
19 commences after December 31, 2011, the total num-
20 ber of mortgages on single-family housing meeting
21 the energy efficiency standards under section 4(a) of
22 the Green Resources for Energy Efficient Neighbor-
23 hoods Act of 2009 that are insured by the Secretary
24 during the applicable collection period, the number
25 of defaults and foreclosures occurring on such mort-

1 gages during such period, the percentage of the total
 2 of such mortgages insured during such period on
 3 which defaults and foreclosure occurred, and the
 4 rate for such period of defaults and foreclosures on
 5 such mortgages compared to the overall rate for
 6 such period of defaults and foreclosures on mort-
 7 gages for single-family housing insured under this
 8 Act by the Secretary.”.

9 (b) INDIAN HOUSING LOAN GUARANTEES.—

10 (1) REQUIREMENT.—Section 184 of the Hous-
 11 ing and Community Development Act of 1992 (12
 12 U.S.C. 1715z–13a) is amended—

13 (A) by redesignating subsection (l) as sub-
 14 section (m); and

15 (B) by inserting after subsection (k) the
 16 following new subsection:

17 “(l) CONSIDERATION OF ENERGY EFFICIENCY.—The
 18 Secretary shall establish a method to consider, in its un-
 19 derwriting standards for loans for single-family housing
 20 meeting the energy efficiency standards under section 4(a)
 21 of the Green Resources for Energy Efficient Neighbor-
 22 hoods Act of 2009 that are guaranteed under this section,
 23 the impact that savings on utility costs has on the income
 24 of the borrower.”.

1 (2) REPORTING ON DEFAULTS.—Section 540(b)
2 of the National Housing Act (12 U.S.C. 1735f–
3 18(b)), as amended by subsection (a)(2) of this sec-
4 tion, is further amended by adding at the end the
5 following new paragraph:

6 “(4) With respect to each collection period that
7 commences after December 31, 2011, the total num-
8 ber of loans guaranteed under section 184 of the
9 Housing and Community Development Act of 1992
10 (12 U.S.C. 1715z–13a) on single-family housing
11 meeting the energy efficiency standards under sec-
12 tion 4(a) of the Green Resources for Energy Effi-
13 cient Neighborhoods Act of 2009 that are guaran-
14 teed by the Secretary during the applicable collection
15 period, the number of defaults and foreclosures oc-
16 curring on such loans during such period, the per-
17 centage of the total of such loans guaranteed during
18 such period on which defaults and foreclosure oc-
19 curred, and the rate for such period of defaults and
20 foreclosures on such loans compared to the overall
21 rate for such period of defaults and foreclosures on
22 loans for single-family housing guaranteed under
23 such section 184 by the Secretary.”.

24 (c) NATIVE HAWAIIAN HOUSING LOAN GUARAN-
25 TEES.—

1 (1) REQUIREMENT.—Section 184A of the
2 Housing and Community Development Act of 1992
3 (12 U.S.C. 1715z–13b) is amended by inserting
4 after subsection (l) the following new subsection:

5 “(m) ENERGY-EFFICIENT HOUSING REQUIRE-
6 MENT.—The Secretary shall establish a method to con-
7 sider, in its underwriting standards for loans for single-
8 family housing meeting the energy efficiency standards
9 under section 4(a) of the Green Resources for Energy Ef-
10 ficient Neighborhoods Act of 2009 that are guaranteed
11 under this section, the impact that savings on utility costs
12 has on the income of the borrower.”.

13 (2) REPORTING ON DEFAULTS.—Section 540(b)
14 of the National Housing Act (12 U.S.C. 1735f–
15 18(b)), as amended by the preceding provisions of
16 this section, is further amended by adding at the
17 end the following new paragraph:

18 “(5) With respect to each collection period that
19 commences after December 31, 2011, the total num-
20 ber of loans guaranteed under section 184A of the
21 Housing and Community Development Act of 1992
22 (12 U.S.C. 1715z–13b) on single-family housing
23 meeting the energy efficiency standards under sec-
24 tion 4(a) of the Green Resources for Energy Effi-
25 cient Neighborhoods Act of 2009 that are guaran-

1 teed by the Secretary during the applicable collection
 2 period, the number of defaults and foreclosures oc-
 3 curring on such loans during such period, the per-
 4 centage of the total of such loans guaranteed during
 5 such period on which defaults and foreclosure oc-
 6 curred, and the rate for such period of defaults and
 7 foreclosures on such loans compared to the overall
 8 rate for such period of defaults and foreclosures on
 9 loans for single-family housing guaranteed under
 10 such section 184A by the Secretary.”.

11 **SEC. 9. ENERGY-EFFICIENT MORTGAGES AND LOCATION-**
 12 **EFFICIENT MORTGAGES EDUCATION AND**
 13 **OUTREACH CAMPAIGN.**

14 Section 106 of the Energy Policy Act of 1992 (12
 15 U.S.C. 1701z–16) is amended by adding at the end the
 16 following new subsection:

17 “(g) EDUCATION AND OUTREACH CAMPAIGN.—

18 “(1) DEVELOPMENT OF ENERGY- AND LOCA-
 19 TION-EFFICIENT MORTGAGES OUTREACH PRO-
 20 GRAM.—

21 “(A) COMMISSION.—The Secretary, in con-
 22 sultation and coordination with the Secretary of
 23 Energy, the Secretary of Education, the Sec-
 24 retary of Agriculture, and the Administrator of
 25 the Environmental Protection Agency, shall es-

1 tablish a commission to develop and recommend
2 model mortgage products and underwriting
3 guidelines that provide market-based incentives
4 to prospective home buyers, lenders, and sellers
5 to incorporate energy efficiency upgrades and
6 location efficiencies in new mortgage loan trans-
7 actions.

8 “(B) REPORT.—Not later than 24 months
9 after the date of the enactment of this Act, the
10 Secretary shall provide a written report to the
11 Congress on the results of work of the commis-
12 sion established pursuant to subparagraph (A)
13 and that identifies model mortgage products
14 and underwriting guidelines that may encour-
15 age energy and location efficiency.

16 “(2) IMPLEMENTATION.—After submission of
17 the report under paragraph (1)(B), the Secretary, in
18 consultation and coordination with the Secretary of
19 Energy, the Secretary of Education, and the Admin-
20 istrator of the Environmental Protection Agency,
21 shall carry out a public awareness, education, and
22 outreach campaign based on the findings of the com-
23 mission established pursuant to paragraph (1) to in-
24 form and educate residential lenders and prospective
25 borrowers regarding the availability, benefits, advan-

1 tages, and terms of energy-efficient mortgages and
2 location-efficient mortgages made available pursuant
3 to this section, energy-efficient and location-efficient
4 mortgages that meet the requirements of section
5 1335 of the Housing and Community Development
6 Act of 1992 (42 U.S.C. 4565), and other mortgages,
7 including mortgages for multifamily housing, that
8 have energy improvement features or location effi-
9 ciency features and to publicize such availability,
10 benefits, advantages, and terms. Such actions may
11 include entering into a contract with an appropriate
12 entity to publicize and market such mortgages
13 through appropriate media.

14 “(3) RENEWABLE ENERGY HOME PRODUCT
15 EXPOS.—The Congress hereby encourages the Sec-
16 retary of Housing and Urban Development to work
17 with appropriate entities to organize and hold renew-
18 able energy expositions that provide an opportunity
19 for the public to view and learn about renewable en-
20 ergy products for the home that are currently on the
21 market.

22 “(4) AUTHORIZATION OF APPROPRIATIONS.—
23 There is authorized to be appropriated to the Sec-
24 retary to carry out this subsection \$5,000,000 for
25 each of fiscal years 2010 through 2014.”.

1 **SEC. 10. COLLECTION OF INFORMATION ON ENERGY-EFFI-**
2 **CIENT AND LOCATION-EFFICIENT MORT-**
3 **GAGES THROUGH HOME MORTGAGE DISCLO-**
4 **SURE ACT.**

5 (a) IN GENERAL.—Section 304(b) of the Home Mort-
6 gage Disclosure Act of 1975 (12 U.S.C. 2803(b)) is
7 amended—

8 (1) in paragraph (3), by striking “and” at the
9 end;

10 (2) in paragraph (4), by striking the period at
11 the end and inserting a semicolon; and

12 (3) by adding at the end the following new
13 paragraphs:

14 “(5) the number and dollar amount of mort-
15 gage loans for single-family housing and for multi-
16 family housing that are energy-efficient mortgages
17 (as such term is defined in section 1335 of Housing
18 and Community Development Act of 1992); and

19 “(6) the number and dollar amount of mort-
20 gage loans for single-family housing and for multi-
21 family housing that are location-efficient mortgages
22 (as such term is defined in section 1335 of Housing
23 and Community Development Act of 1992).”.

24 (b) APPLICABILITY.—The amendment made by sub-
25 section (a) shall apply with respect to the first calendar

1 year that begins after the expiration of the 30-day period
2 beginning on the date of the enactment of this Act.

3 **SEC. 11. ENSURING AVAILABILITY OF HOMEOWNERS IN-**
4 **SURANCE FOR HOMES NOT CONNECTED TO**
5 **ELECTRICITY GRID.**

6 (a) CONGRESSIONAL INTENT.—The Congress intends
7 that—

8 (1) consumers shall not be denied homeowners
9 insurance for a dwelling (as such term is defined in
10 subsection (c)) based solely on the fact that the
11 dwelling is not connected to or able to receive elec-
12 tricity service from any wholesale or retail electric
13 power provider;

14 (2) States should ensure that consumers are
15 able to obtain homeowners insurance for such dwell-
16 ings;

17 (3) States should support insurers that develop
18 voluntary incentives to provide such insurance; and

19 (4) States may not prohibit insurers from offer-
20 ing a homeowners insurance product specifically de-
21 signed for such dwellings.

22 (b) INSURING HOMES AND RELATED PROPERTY IN
23 INDIAN AREAS.—Notwithstanding any other provision of
24 law, dwellings located in Indian areas (as such term is de-
25 fined in section 4 of the Native American Housing Assist-

1 ance and Self-Determination Act of 1996 (25 U.S.C.
 2 4103)) and constructed or maintained using assistance,
 3 loan guarantees, or other authority under the Native
 4 American Housing Assistance and Self-Determination Act
 5 of 1996 may be insured by any tribally owned self-insur-
 6 ance risk pool approved by the Secretary of Housing and
 7 Urban Development.

8 (c) DWELLING.—For purposes of this section, the
 9 term “dwelling” means a residential structure that—

- 10 (1) consists of one to four dwelling units;
- 11 (2) is provided electricity from renewable en-
 12 ergy sources; and
- 13 (3) is not connected to any wholesale or retail
 14 electrical power grid.

15 **SEC. 12. MORTGAGE INCENTIVES FOR ENERGY-EFFICIENT**
 16 **MULTIFAMILY HOUSING.**

17 (a) IN GENERAL.—The Secretary of Housing and
 18 Urban Development shall establish incentives for increas-
 19 ing the energy efficiency of multifamily housing that is
 20 subject to a mortgage to be insured under title II of the
 21 National Housing Act (12 U.S.C. 1707 et seq.) so that
 22 the housing meets the energy efficiency standards under
 23 section 4(a) of this Act and incentives to encourage com-
 24 pliance of such housing with the energy efficiency and con-
 25 servation standards, and the green building standards,

1 under section 4(b) of this Act, to the extent that such in-
 2 centives are based on the impact that savings on utility
 3 costs has on the operating costs of the housing, as deter-
 4 mined by the Secretary.

5 (b) INCENTIVES.—Such incentives may include, for
 6 any such multifamily housing that complies with the en-
 7 ergy efficiency standards under section 4(a)—

8 (1) providing a discount on the chargeable pre-
 9 miums for the mortgage insurance for such housing
 10 from the amount otherwise chargeable for such
 11 mortgage insurance;

12 (2) allowing mortgages to exceed the dollar
 13 amount limits otherwise applicable under law to the
 14 extent such additional amounts are used to finance
 15 improvements or measures designed to meet the
 16 standards referred to in subsection (a); and

17 (3) reducing the amount that the owner of such
 18 multifamily housing meeting the standards referred
 19 to in subsection (a) is required to contribute.

20 **SEC. 13. ENERGY-EFFICIENT CERTIFICATIONS FOR MANU-**
 21 **FACTURED HOUSING WITH MORTGAGES.**

22 Section 526 of the National Housing Act (12 U.S.C.
 23 1735f–4(a)) is amended—

24 (1) in subsection (a)—

1 (A) by striking “, other than manufactured
2 homes,” each place such term appears;

3 (B) by inserting after the period at the end
4 the following: “The energy performance require-
5 ments developed and established by the Sec-
6 retary under this section for manufactured
7 homes shall require energy star rating for wall
8 fixtures, appliances, and equipment in such
9 housing.”;

10 (C) by inserting “(1)” after “(a)”; and

11 (D) by adding at the end the following new
12 paragraphs:

13 “(2) The Secretary shall require, with respect to any
14 single- or multi-family residential housing subject to a
15 mortgage insured under this Act, that any approval or cer-
16 tification of the housing for meeting any energy efficiency
17 or conservation criteria, standards, or requirements pursu-
18 ant to this title and any approval or certification required
19 pursuant to this title with respect to energy-conserving im-
20 provements or any renewable energy sources, such as
21 wind, solar energy geothermal, or biomass, shall be con-
22 ducted only by an individual certified by a home energy
23 rating system provider who has been accredited to conduct
24 such ratings by the Home Energy Ratings System Coun-
25 cil, the Residential Energy Services Network, or such

1 other appropriate national organization, as the Secretary
 2 may provide, or by licensed professional architect or engi-
 3 neer. If any organization makes a request to the Secretary
 4 for approval to accredit individuals to conduct energy effi-
 5 ciency or conservation ratings, the Secretary shall review
 6 and approve or disapprove such request not later than the
 7 expiration of the 6-month period beginning upon receipt
 8 of such request.

9 “(3) The Secretary shall periodically examine the
 10 method used to conduct inspections for compliance with
 11 the requirements under this section, analyze various other
 12 approaches for conducting such inspections, and review
 13 the costs and benefits of the current method compared
 14 with other methods.”; and

15 (2) in subsection (b), by striking “, other than
 16 a manufactured home,”.

17 **SEC. 14. ASSISTED HOUSING ENERGY LOAN PILOT PRO-**
 18 **GRAM.**

19 (a) **AUTHORITY.**—Not later than the expiration of
 20 the 12-month period beginning on the date of the enact-
 21 ment of this Act, the Secretary shall develop and imple-
 22 ment a pilot program under this section to facilitate the
 23 financing of cost-effective capital improvements for cov-
 24 ered assisted housing projects to improve the energy effi-
 25 ciency and conservation of such projects.

1 (b) LOANS.—The pilot program under this section
2 shall involve not less than three and not more than five
3 lenders, and shall provide for a privately financed loan to
4 be made for a covered assisted housing project, which
5 shall—

6 (1) finance capital improvements for the project
7 that meet such requirements as the Secretary shall
8 establish, and may involve contracts with third par-
9 ties to perform such capital improvements, including
10 the design of such improvements by licensed profes-
11 sional architects or engineers;

12 (2) have a term to maturity of not more than
13 20 years, which shall be based upon the duration
14 necessary to realize cost savings sufficient to repay
15 the loan;

16 (3) be secured by a mortgage subordinate to the
17 mortgage for the project that is insured under the
18 National Housing Act; and

19 (4) provide for a reduction in the remaining
20 principal obligation under the loan based on the ac-
21 tual resulting cost savings realized from the capital
22 improvements financed with the loan.

23 (c) UNDERWRITING STANDARDS.—The Secretary
24 shall establish underwriting requirements for loans made
25 under the pilot program under this section, which shall—

1 (1) require the cost savings projected to be real-
2 ized from the capital improvements financed with
3 the loan, during the term of the loan, to exceed the
4 costs of repaying the loan;

5 (2) allow the designer or contractor involved in
6 designing capital improvements to be financed with
7 a loan under the program to carry out such capital
8 improvements; and

9 (3) include such energy, audit, property, finan-
10 cial, ownership, and approval requirements as the
11 Secretary considers appropriate.

12 (d) TREATMENT OF SAVINGS.—The pilot program
13 under this section shall provide that the project owner
14 shall receive the full financial benefit from any reduction
15 in the cost of utilities resulting from capital improvements
16 financed with a loan made under the program.

17 (e) COVERED ASSISTED HOUSING PROJECTS.—For
18 purposes of this section, the term “covered assisted hous-
19 ing project” means a housing project that—

20 (1) is financed by a loan or mortgage that is—

21 (A) insured by the Secretary under—

22 (i) subsection (d)(3) of section 221 of
23 the National Housing Act (12 U.S.C.
24 1715l), and bears interest at a rate deter-

1 mined under the proviso of section
2 221(d)(5) of such Act; or

3 (ii) subsection (d)(4) of such section
4 221.

5 (B) insured or assisted under section 236
6 of the National Housing Act (12 U.S.C. 1715z–
7 1);

8 (2) at the time a loan under this section is
9 made, is provided project-based rental assistance
10 under section 8 of the United States Housing Act of
11 1937 (42 U.S.C. 1437f) for 50 percent or more of
12 the dwelling units in the project; and

13 (3) is not a housing project owned or held by
14 the Secretary, or subject to a mortgage held by the
15 Secretary.

16 **SEC. 15. MAKING IT GREEN.**

17 (a) PARTNERSHIPS WITH TREE-PLANTING ORGANI-
18 ZATIONS.—The Secretary shall establish and provide in-
19 centives for developers of housing for which any HUD fi-
20 nancial assistance, as determined by the Secretary, is pro-
21 vided for development, maintenance, operation, or other
22 costs, to enter into agreements and partnerships with tree-
23 planting organizations, nurseries, and landscapers to cer-
24 tify that trees, shrubs, grasses, and other plants are plant-
25 ed in the proper manner, are provided adequate mainte-

1 nance, and survive for at least 3 years after planting or
2 are replaced. The financial assistance determined by the
3 Secretary as eligible under this section shall take into con-
4 sideration such factors as cost effectiveness and afford-
5 ability.

6 (b) MAKING IT GREEN PLAN.—In the case of any
7 new or substantially rehabilitated housing for which HUD
8 financial assistance, as determined in accordance with
9 subsection (a), is provided by the Secretary for the devel-
10 opment, construction, maintenance, rehabilitation, im-
11 provement, operation, or costs of the housing, including
12 financial assistance provided through the Community De-
13 velopment Block Grant program under title I of the Hous-
14 ing and Community Development Act of 1974 (42 U.S.C.
15 5301 et seq.), the Secretary shall require the development
16 of a plan that provides for—

17 (1) in the case of new construction and im-
18 provements, siting of such housing and improve-
19 ments in a manner that provides for energy effi-
20 ciency and conservation to the extent feasible, taking
21 into consideration location and project type;

22 (2) minimization of the effects of construction,
23 rehabilitation, or other development on the condition
24 of existing trees;

1 (3) selection and installation of indigenous
2 trees, shrubs, grasses, and other plants based upon
3 applicable design guidelines and standards of the
4 International Society for Arboriculture;

5 (4) post-planting care and maintenance of the
6 landscaping relating to or affected by the housing in
7 accordance with best management practices; and

8 (5) establishment of a goal for minimum
9 greenspace or tree canopy cover for the housing site
10 for which such financial assistance is provided, in-
11 cluding guidelines and timetables within which to
12 achieve compliance with such minimum require-
13 ments.

14 (c) PARTNERSHIPS.—In carrying out this section, the
15 Secretary is encouraged to consult, as appropriate, with
16 national organizations dedicated to providing housing as-
17 sistance and related services to low-income families, such
18 as the Alliance for Community Trees and its affiliates, the
19 American Nursery and Landscape Association, the Amer-
20 ican Society of Landscape Architects, and the National
21 Arbor Day Foundation.

1 **SEC. 16. RESIDENTIAL ENERGY EFFICIENCY BLOCK GRANT**
2 **PROGRAM.**

3 Title I of the Housing and Community Development
4 Act of 1974 (42 U.S.C. 5301 et seq.) is amended by add-
5 ing at the end the following new section:

6 **“SEC. 123. RESIDENTIAL ENERGY EFFICIENCY BLOCK**
7 **GRANT PROGRAM.**

8 “(a) IN GENERAL.—To the extent amounts are made
9 available for grants under this section, the Secretary shall
10 make grants under this section to States, metropolitan cit-
11 ies and urban counties, Indian tribes, and insular areas
12 to carry out energy efficiency improvements in new and
13 existing single-family and multifamily housing.

14 “(b) ALLOCATIONS.—

15 “(1) IN GENERAL.—Of the total amount made
16 available for each fiscal year for grants under this
17 section that remains after reserving amounts pursu-
18 ant to paragraph (2), the Secretary shall allocate for
19 insular areas, for metropolitan cities and urban
20 counties, and for States, an amount that bears the
21 same ratio to such total amount as the amount allo-
22 cated for such fiscal year under section 106 for In-
23 dian tribes, for insular areas, for metropolitan cities
24 and urban counties, and for States, respectively,
25 bears to the total amount made available for such
26 fiscal year for grants under section 106.

1 “(2) SET ASIDE FOR INDIAN TRIBES.—Of the
2 total amount made available for each fiscal year for
3 grants under this section, the Secretary shall allo-
4 cate not less than 1 percent to Indian tribes.

5 “(c) GRANT AMOUNTS.—

6 “(1) ENTITLEMENT COMMUNITIES.—From the
7 amounts allocated pursuant to subsection (b) for
8 metropolitan cities and urban counties for each fiscal
9 year, the Secretary shall make a grant for such fis-
10 cal year to each metropolitan city and urban county
11 that complies with the requirement under subsection
12 (d), in the amount that bears the same ratio such
13 total amount so allocated as the amount of the grant
14 for such fiscal year under section 106 for such met-
15 ropolitan city or urban county bears to the aggre-
16 gate amount of all grants for such fiscal year under
17 section 106 for all metropolitan cities and urban
18 counties.

19 “(2) STATES.—From the amounts allocated
20 pursuant to subsection (b) for States for each fiscal
21 year, the Secretary shall make a grant for such fis-
22 cal year to each State that complies with the re-
23 quirement under subsection (d), in the amount that
24 bears the same ratio such total amount so allocated
25 as the amount of the grant for such fiscal year

1 under section 106 for such State bears to the aggre-
2 gate amount of all grants for such fiscal year under
3 section 106 for all States. Grant amounts received
4 by a State shall be used only for eligible activities
5 under subsection (e) carried out in nonentitlement
6 areas of the State.

7 “(3) INDIAN TRIBES.—From the amounts allo-
8 cated pursuant to subsection (b) for Indian tribes,
9 the Secretary shall make grants to Indian tribes that
10 comply with the requirement under subsection (d) on
11 the basis of a competition conducted pursuant to
12 specific criteria, as the Secretary shall establish by
13 regulation, for the selection of Indian tribes to re-
14 ceive such amount.

15 “(4) INSULAR AREAS.—From the amounts allo-
16 cated pursuant to subsection (b) for insular areas,
17 the Secretary shall make a grant to each insular
18 area that complies with the requirement under sub-
19 section (d) on the basis of the ratio of the population
20 of the insular area to the aggregate population of all
21 insular areas. In determining the distribution of
22 amounts to insular areas, the Secretary may also in-
23 clude other statistical criteria as data become avail-
24 able from the Bureau of Census of the Department
25 of Labor, but only if such criteria are set forth by

1 regulation issued after notice and an opportunity for
2 comment.

3 “(d) STATEMENT OF ACTIVITIES.—

4 “(1) REQUIREMENT.—Before receipt the re-
5 ceipt in any fiscal year of a grant under subsection
6 (c) by any grantee, the grantee shall have prepared
7 a final statement of housing energy efficiency objec-
8 tives and projected use of funds as the Secretary
9 shall require and shall have provided the Secretary
10 with such certifications regarding such objectives
11 and use as the Secretary may require. In the case
12 of metropolitan cities, urban counties, units of gen-
13 eral local government, and insular areas receiving
14 grants, the statement of projected use of funds shall
15 consist of proposed housing energy efficiency activi-
16 ties. In the case of States receiving grants, the state-
17 ment of projected use of funds shall consist of the
18 method by which the States will distribute funds to
19 units of general local government.

20 “(2) PUBLIC PARTICIPATION.—The Secretary
21 may establish requirements to ensure the public
22 availability of information regarding projected use of
23 grant amounts and public participation in deter-
24 mining such projected use.

25 “(e) ELIGIBLE ACTIVITIES.—

1 “(1) REQUIREMENT.—Amounts from a grant
2 under this section may be used only to carry out ac-
3 tivities for single-family or multifamily housing that
4 are designed to improve the energy efficiency of the
5 housing so that the housing complies with the en-
6 ergy efficiency standards under section 4(a) of the
7 Green Resources for Energy Efficient Neighbor-
8 hoods Act of 2009, including such activities to pro-
9 vide energy for such housing from renewable
10 sources, such as wind, waves, solar, biomass, and
11 geothermal sources.

12 “(2) PREFERENCE FOR COMPLIANCE BEYOND
13 BASIC REQUIREMENTS.—In selecting activities to be
14 funded with amounts from a grant under this sec-
15 tion, a grantee shall give more preference to activi-
16 ties based on the extent to which the activities will
17 result in compliance by the housing with the en-
18 hanced energy efficiency and conservation standards,
19 and the green building standards, under section 4(b)
20 of such Act.

21 “(f) REPORTS.—Each grantee of a grant under this
22 section for a fiscal year shall submit to the Secretary, at
23 a time determined by the Secretary, a performance and
24 evaluation report concerning the use of grant amounts,
25 which shall contain an assessment by the grantee of the

1 relationship of such use to the objectives identified in the
 2 grantees statement under subsection (d).

3 “(g) APPLICABILITY OF CDBG PROVISIONS.—Sec-
 4 tions 109, 110, and 111 of the Housing and Community
 5 Development Act of 1974 (42 U.S.C. 5309, 5310, 5311)
 6 shall apply to assistance received under this section to the
 7 same extent and in the same manner that such sections
 8 apply to assistance received under title I of such Act.

9 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
 10 is authorized to be appropriated for grants under this sec-
 11 tion \$2,500,000,000 for fiscal year 2010 and such sums
 12 as may be necessary for each fiscal year thereafter.”.

13 **SEC. 17. INCLUDING SUSTAINABLE DEVELOPMENT AND**
 14 **TRANSPORTATION STRATEGIES IN COM-**
 15 **PREHENSIVE HOUSING AFFORDABILITY**
 16 **STRATEGIES.**

17 Section 105(b) of the Cranston-Gonzalez National
 18 Affordable Housing Act (42 U.S.C. 12705(b)) is amend-
 19 ed—

20 (1) by striking “and” at the end of paragraph
 21 (19);

22 (2) by striking the period at the end of para-
 23 graph (20) and inserting “; and”;

24 (3) and by inserting after paragraph (20) the
 25 following new paragraphs:

1 “(21) describe the jurisdiction’s strategies to
2 encourage sustainable development for affordable
3 housing, including single-family and multifamily
4 housing, as measured by—

5 “(A) greater energy efficiency and use of
6 renewable energy sources, including any strate-
7 gies regarding compliance with the energy effi-
8 ciency standards under section 4(a) of the
9 Green Resources for Energy Efficient Neigh-
10 borhoods Act of 2009 and with the enhanced
11 energy efficiency and conservation standards,
12 and the green building standards, under section
13 4(b) of such Act;

14 “(B) increased conservation, recycling, and
15 reuse of resources;

16 “(C) more effective use of existing infra-
17 structure;

18 “(D) use of building materials and meth-
19 ods that are healthier for residents of the hous-
20 ing, including use of building materials that are
21 free of added known carcinogens that are classi-
22 fied as Group 1 Known Carcinogens by the
23 International Agency for Research on Cancer;
24 and

1 “(E) such other criteria as the Secretary
 2 determines, in consultation with the Secretary
 3 of Energy, the Secretary of Agriculture, and the
 4 Administrator of the Environmental Protection
 5 Agency, are in accordance with the purposes of
 6 this paragraph; and

7 “(22) describe the jurisdiction’s efforts to co-
 8 ordinate its housing strategy with its transportation
 9 planning strategies to ensure to the extent prac-
 10 ticable that residents of affordable housing have ac-
 11 cess to public transportation.”.

12 **SEC. 18. GRANT PROGRAM TO INCREASE SUSTAINABLE**
 13 **LOW-INCOME COMMUNITY DEVELOPMENT**
 14 **CAPACITY.**

15 (a) IN GENERAL.—The Secretary may make grants
 16 to nonprofit organizations to use for any of the following
 17 purposes:

18 (1) Training, educating, supporting, or advising
 19 an eligible community development organization or
 20 qualified youth service and conservation corps in im-
 21 proving energy efficiency, resource conservation and
 22 reuse, design strategies to maximize energy effi-
 23 ciency, installing or constructing renewable energy
 24 improvements (such as wind, wave, solar, biomass,
 25 and geothermal energy sources), and effective use of

1 existing infrastructure in affordable housing and
2 economic development activities in low-income com-
3 munities, taking into consideration energy efficiency
4 standards under section 4(a) of this Act and with
5 the enhanced energy efficiency and conservation
6 standards, and the green building standards, under
7 section 4(b) of this Act.

8 (2) Providing loans, grants, or predevelopment
9 assistance to eligible community development organi-
10 zations or qualified youth service and conservation
11 corps to carry out energy efficiency improvements
12 that comply with the energy efficiency standards
13 under section 4(a) of this Act, resource conservation
14 and reuse, and effective use of existing infrastruc-
15 ture in affordable housing and economic develop-
16 ment activities in low-income communities. In pro-
17 viding assistance under this paragraph, the Sec-
18 retary shall give more preference to activities based
19 on the extent to which the activities will result in
20 compliance with the enhanced energy efficiency and
21 conservation standards, and the green building
22 standards, under section 4(b) of this Act.

23 (3) Such other purposes as the Secretary deter-
24 mines are in accordance with the purposes of this
25 subsection.

1 (b) APPLICATION REQUIREMENT.—To be eligible for
2 a grant under this section, a nonprofit organization shall
3 prepare and submit to the Secretary an application at
4 such time, in such manner, and containing such informa-
5 tion as the Secretary may require.

6 (c) AWARD OF CONTRACTS.—Contracts for architec-
7 tural or engineering services funded with amounts from
8 grants made under this section shall be awarded in accord-
9 ance with chapter 11 of title 40, United States Code (re-
10 lating to selection of architects and engineers).

11 (d) MATCHING REQUIREMENT.—A grant made under
12 this section may not exceed the amount that the nonprofit
13 organization receiving the grant certifies, to the Secretary,
14 will be provided (in cash or in-kind) from nongovernmental
15 sources to carry out the purposes for which the grant is
16 made.

17 (e) DEFINITIONS.—For purposes of this section, the
18 following definitions shall apply:

19 (1) The term “nonprofit organization” has the
20 meaning given such term in section 104 of the Cran-
21 ston-Gonzalez National Affordable Housing Act (42
22 U.S.C. 12704).

23 (2) The term “eligible community development
24 organization” means—

1 (A) a unit of general local government (as
2 defined in section 104 of the Cranston-Gonzalez
3 National Affordable Housing Act (42 U.S.C.
4 12704));

5 (B) a community housing development or-
6 ganization (as defined in section 104 of the
7 Cranston-Gonzalez National Affordable Hous-
8 ing Act (42 U.S.C. 12704));

9 (C) an Indian tribe or tribally designated
10 housing entity (as such terms are defined in
11 section 4 of the Native American Housing As-
12 sistance and Self-Determination Act of 1996
13 (25 U.S.C. 4103)); or

14 (D) a public housing agency, as such term
15 is defined in section 3(b) of the United States
16 Housing Act of 1937 (42 U.S.C. 1437(b)).

17 (3) The term “low-income community” means a
18 census tract in which 50 percent or more of the
19 households have an income which is less than 80
20 percent of the greater of—

21 (A) the median gross income for such year
22 for the area in which such census tract is lo-
23 cated; or

1 (B) the median gross income for such year
 2 for the State in which such census tract is lo-
 3 cated.

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There
 5 are authorized to be appropriated to the Secretary to carry
 6 out this section \$10,000,000 for each of fiscal years 2010
 7 through 2014.

8 **SEC. 19. HOPE VI GREEN DEVELOPMENTS REQUIREMENT.**

9 (a) MANDATORY COMPONENT.—Section 24(e) of the
 10 United States Housing Act of 1937 (42 U.S.C. 1437v(e))
 11 is amended by adding at the end the following new para-
 12 graph:

13 “(4) GREEN DEVELOPMENTS REQUIREMENT.—

14 “(A) REQUIREMENT.—The Secretary may
 15 not make a grant under this section to an appli-
 16 cant unless the proposed revitalization plan of
 17 the applicant to be carried out with such grant
 18 amounts meets the following requirements:

19 “(i) GREEN COMMUNITIES CRITERIA
 20 CHECKLIST.—All residential construction
 21 under the proposed plan complies with the
 22 national Green Communities criteria
 23 checklist for residential construction that
 24 provides criteria for the design, develop-
 25 ment, and operation of affordable housing,

1 as such checklist is in effect for purposes
2 of this paragraph pursuant to subpara-
3 graph (D) at the date of the application
4 for the grant, or any substantially equiva-
5 lent standard or standards as determined
6 by the Secretary, as follows:

7 “(I) The proposed plan shall
8 comply with all items of the national
9 Green Communities criteria checklist
10 for residential construction that are
11 identified as mandatory.

12 “(II) The proposed plan shall
13 comply with such other nonmandatory
14 items of such national Green Commu-
15 nities criteria checklist so as to result
16 in a cumulative number of points at-
17 tributable to such nonmandatory
18 items under such checklist of not less
19 than—

20 “(aa) 25 points, in the case
21 of any proposed plan (or portion
22 thereof) consisting of new con-
23 struction; and

24 “(bb) 20 points, in the case
25 of any proposed plan (or portion

1 thereof) consisting of rehabilita-
2 tion.

3 “(ii) GREEN BUILDINGS CERTIFI-
4 CATION SYSTEM.—All nonresidential con-
5 struction under the proposed plan complies
6 with all minimum required levels of the
7 green building rating systems and levels
8 identified by the Secretary pursuant to
9 subparagraph (C), as such systems and
10 levels are in effect for purposes of this
11 paragraph pursuant to subparagraph (D)
12 at the time of the application for the
13 grant.

14 “(B) VERIFICATION.—

15 “(i) IN GENERAL.—The Secretary
16 shall verify, or provide for verification, suf-
17 ficient to ensure that each proposed revi-
18 talization plan carried out with amounts
19 from a grant under this section complies
20 with the requirements under subparagraph
21 (A) and that the revitalization plan is car-
22 ried out in accordance with such require-
23 ments and plan.

24 “(ii) TIMING.—In providing for such
25 verification, the Secretary shall establish

1 procedures to ensure such compliance with
2 respect to each grantee, and shall report to
3 the Congress with respect to the compli-
4 ance of each grantee, at each of the fol-
5 lowing times:

6 “(I) Not later than 6 months
7 after execution of the grant agreement
8 under this section for the grantee.

9 “(II) Upon completion of the re-
10 vitalization plan of the grantee.

11 “(C) IDENTIFICATION OF GREEN BUILD-
12 INGS RATING SYSTEMS AND LEVELS.—

13 “(i) IN GENERAL.—For purposes of
14 this paragraph, the Secretary shall identify
15 rating systems and levels for green build-
16 ings that the Secretary determines to be
17 the most likely to encourage a comprehen-
18 sive and environmentally sound approach
19 to ratings and standards for green build-
20 ings. The identification of the ratings sys-
21 tems and levels shall be based on the cri-
22 teria specified in clause (ii), shall identify
23 the highest levels the Secretary determines
24 are appropriate above the minimum levels
25 required under the systems selected. With-

1 in 90 days of the completion of each study
2 required by clause (iii), the Secretary shall
3 review and update the rating systems and
4 levels, or identify alternative systems and
5 levels for purposes of this paragraph, tak-
6 ing into account the conclusions of such
7 study.

8 “(ii) CRITERIA.—In identifying the
9 green rating systems and levels, the Sec-
10 retary shall take into consideration—

11 “(I) the ability and availability of
12 assessors and auditors to independ-
13 ently verify the criteria and measure-
14 ment of metrics at the scale necessary
15 to implement this paragraph;

16 “(II) the ability of the applicable
17 ratings system organizations to collect
18 and reflect public comment;

19 “(III) the ability of the standards
20 to be developed and revised through a
21 consensus-based process;

22 “(IV) An evaluation of the
23 robustness of the criteria for a high-
24 performance green building, which
25 shall give credit for promoting—

1 “(aa) efficient and sustain-
2 able use of water, energy, and
3 other natural resources;

4 “(bb) use of renewable en-
5 ergy sources;

6 “(cc) improved indoor and
7 outdoor environmental quality
8 through enhanced indoor and
9 outdoor air quality, thermal com-
10 fort, acoustics, outdoor noise pol-
11 lution, day lighting, pollutant
12 source control, sustainable land-
13 scaping, and use of building sys-
14 tem controls and low- or no-emis-
15 sion materials, including pref-
16 erence for materials with no
17 added carcinogens that are classi-
18 fied as Group 1 Known Carcino-
19 gens by the International Agency
20 for Research on Cancer; and

21 “(dd) such other criteria as
22 the Secretary determines to be
23 appropriate; and

24 “(V) national recognition within
25 the building industry.

1 “(iii) 5-YEAR EVALUATION.—At least
2 once every 5 years, the Secretary shall con-
3 duct a study to evaluate and compare
4 available third-party green building rating
5 systems and levels, taking into account the
6 criteria listed in clause (ii).

7 “(D) APPLICABILITY AND UPDATING OF
8 STANDARDS.—

9 “(i) APPLICABILITY.—Except as pro-
10 vided in clause (ii) of this subparagraph,
11 the national Green Communities criteria
12 checklist and green building rating systems
13 and levels referred to in clauses (i) and (ii)
14 of subparagraph (A) that are in effect for
15 purposes of this paragraph are such check-
16 list systems, and levels as in existence
17 upon the date of the enactment of the
18 Green Resources for Energy Efficient
19 Neighborhoods Act of 2009.

20 “(ii) UPDATING.—The Secretary may,
21 by regulation, adopt and apply, for pur-
22 poses of this paragraph, future amend-
23 ments and supplements to, and editions of,
24 the national Green Communities criteria
25 checklist, any standard or standards that

1 the Secretary has determined to be sub-
2 stantially equivalent to such checklist, and
3 the green building ratings systems and lev-
4 els identified by the Secretary pursuant to
5 subparagraph (C).”.

6 (b) SELECTION CRITERIA; GRADED COMPONENT.—
7 Section 24(e)(2) of the United States Housing Act of
8 1937 (42 U.S.C. 1437v(e)(2)) is amended—

9 (1) in subparagraph (K), by striking “and” at
10 the end;

11 (2) by redesignating subparagraph (L) as sub-
12 paragraph (M); and

13 (3) by inserting after subparagraph (K) the fol-
14 lowing new subparagraph:

15 “(L) the extent to which the proposed revi-
16 talization plan—

17 “(i) in the case of residential con-
18 struction, complies with the nonmandatory
19 items of the national Green Communities
20 criteria checklist identified in paragraph
21 (4)(A)(i), or any substantially equivalent
22 standard or standards as determined by
23 the Secretary, but only to the extent such
24 compliance exceeds the compliance nec-

1 essary to accumulate the number of points
2 required under such paragraph; and

3 “(ii) in the case of nonresidential con-
4 struction, complies with the components of
5 the green building rating systems and lev-
6 els identified by the Secretary pursuant to
7 paragraph (4)(C), but only to the extent
8 such compliance exceeds the minimum level
9 required under such systems and levels;
10 and”.

11 **SEC. 20. CONSIDERATION OF ENERGY EFFICIENCY IM-**
12 **PROVEMENTS IN APPRAISALS.**

13 (a) APPRAISALS IN CONNECTION WITH FEDERALLY
14 RELATED TRANSACTIONS.—

15 (1) REQUIREMENT.—Section 1110 of the Fi-
16 nancial Institutions Reform, Recovery, and Enforce-
17 ment Act of 1989 (12 U.S.C. 3339) is amended—

18 (A) in paragraph (1), by striking “and” at
19 the end;

20 (B) by redesignating paragraph (2) as
21 paragraph (3); and

22 (C) by inserting after paragraph (1) the
23 following new paragraph:

24 “(2) that such appraisals be performed in ac-
25 cordance with appraisal standards that require, in

1 determining the value of a property, consideration of
2 any renewable energy sources for, or energy effi-
3 ciency or energy-conserving improvements or fea-
4 tures of, the property; and”.

5 (2) REVISION OF APPRAISAL STANDARDS.—

6 Each Federal financial institutions regulatory agen-
7 cy shall, not later than 6 months after the date of
8 the enactment of this Act, revise its standards for
9 the performance of real estate appraisals in connec-
10 tion with federally related transactions under the ju-
11 risdiction of the agency to comply with the require-
12 ment under the amendments made by paragraph (1)
13 of this subsection.

14 (b) APPRAISER CERTIFICATION AND LICENSING RE-
15 QUIREMENTS.—Section 1116 of the Financial Institutions
16 Reform, Recovery, and Enforcement Act of 1989 (12
17 U.S.C. 3345) is amended—

18 (1) in subsection (a), by inserting before the pe-
19 riod at the end the following: “, and meets the re-
20 quirements established pursuant to subsection (f) for
21 qualifications regarding consideration of any renew-
22 able energy sources for, or energy efficiency or en-
23 ergy-conserving improvements or features of, the
24 property”;

1 (2) in subsection (c), by inserting before the pe-
2 riod at the end the following: “, which shall include
3 compliance with the requirements established pursu-
4 ant to subsection (f) regarding consideration of any
5 renewable energy sources for, or energy efficiency or
6 energy-conserving improvements or features of, the
7 property”;

8 (3) in subsection (e), by striking “The” and in-
9 serting “Except as provided in subsection (f), the”;
10 and

11 (4) by adding at the end the following new sub-
12 section:

13 “(f) REQUIREMENTS FOR APPRAISERS REGARDING
14 ENERGY EFFICIENCY FEATURES.—The Appraisal Sub-
15 committee shall establish requirements for State certifi-
16 cation of State certified real estate appraisers and for
17 State licensing of State licensed appraisers, to ensure that
18 appraisers consider and are qualified to consider, in deter-
19 mining the value of a property, any renewable energy
20 sources for, or energy efficiency or energy-conserving im-
21 provements or features of, the property.”.

22 (c) GUIDELINES FOR APPRAISING PHOTOVOLTAIC
23 MEASURES AND TRAINING OF APPRAISERS.—Section
24 1122 of the Financial Institutions Reform, Recovery, and

1 Enforcement Act of 1989 (12 U.S.C. 3351) is amended
2 by adding at the end the following new subsection:

3 “(g) GUIDELINES FOR APPRAISING PHOTOVOLTAIC
4 MEASURES AND TRAINING OF APPRAISERS.—The Ap-
5 praisal Subcommittee shall, in consultation with the Sec-
6 retary of Housing and Urban Development, the Federal
7 National Mortgage Association, and the Federal Home
8 Loan Mortgage Corporation, establish specific guidelines
9 for—

10 “(1) appraising off- and on-grid photovoltaic
11 measures for compliance with the appraisal stand-
12 ards prescribed pursuant to section 1110(2);

13 “(2) requirements under section 1116(f) for
14 certification of State certified real estate appraisers
15 and for State licensing of State licensed appraisers,
16 to ensure that appraisers consider, and are qualified
17 to consider, such photovoltaic measures in deter-
18 mining the value of a property; and

19 “(3) training of appraisers to meet the require-
20 ments established pursuant to paragraph (2) of this
21 subsection.”.

22 **SEC. 21. HOUSING ASSISTANCE COUNCIL.**

23 The Secretary shall require the Housing Assistance
24 Council—

1 (1) to encourage each organization that receives
2 assistance from the Council with any amounts made
3 available from the Secretary to provide that any
4 structures and buildings developed or assisted under
5 projects, programs, and activities funded with such
6 amounts complies with the energy efficiency stand-
7 ards under section 4(a) of this Act; and

8 (2) to establish incentives to encourage each
9 such organization to provide that any such struc-
10 tures and buildings comply with the energy effi-
11 ciency and conservation standards, and the green
12 building standards, under section 4(b) of such Act.

13 **SEC. 22. RURAL HOUSING AND ECONOMIC DEVELOPMENT**
14 **ASSISTANCE.**

15 The Secretary shall—

16 (1) require each tribe, agency, organization,
17 corporation, and other entity that receives any as-
18 sistance from the Office of Rural Housing and Eco-
19 nomic Development of the Department of Housing
20 and Urban Development to provide that any struc-
21 tures and buildings developed or assisted under ac-
22 tivities funded with such amounts complies with the
23 energy efficiency standards under section 4(a) of
24 this Act; and

1 (2) establish incentives to encourage each such
 2 tribe, agency, organization, corporation, and other
 3 entity to provide that any such structures and build-
 4 ings comply with the enhanced energy efficiency and
 5 conservation standards, and the green building
 6 standards, under section 4(b) of such Act.

7 **SEC. 23. REVOLVING FUND FOR LOANS TO STATES AND IN-**
 8 **DIAN TRIBES TO CARRY OUT RENEWABLE EN-**
 9 **ERGY SOURCES ACTIVITIES.**

10 (a) ESTABLISHMENT OF FUND.—There is estab-
 11 lished in the Treasury of the United States a revolving
 12 fund, to be known as the “Alternative Energy Sources
 13 State Revolving Fund”.

14 (b) CREDITS.—The Fund shall be credited with—

15 (1) any amounts appropriated to the Fund pur-
 16 suant to subsection (g);

17 (2) any amounts of principal and interest from
 18 loan repayments received by the Secretary pursuant
 19 to subsection (d)(7); and

20 (3) any interest earned on investments of
 21 amounts in the Fund pursuant to subsection (e).

22 (c) EXPENDITURES.—

23 (1) IN GENERAL.—Subject to paragraph (2), on
 24 request by the Secretary, the Secretary of the Treas-
 25 ury shall transfer from the Fund to the Secretary

1 such amounts as the Secretary determines are nec-
2 essary to provide loans under subsection (d)(1).

3 (2) ADMINISTRATIVE EXPENSES.—Of the
4 amounts in the Fund, not more than 5 percent shall
5 be available for each fiscal year to pay the adminis-
6 trative expenses of the Department of Housing and
7 Urban Development to carry out this section.

8 (d) LOANS TO STATES AND INDIAN TRIBES.—

9 (1) IN GENERAL.—The Secretary shall use
10 amounts in the Fund to provide loans to States and
11 Indian tribes to provide incentives to owners of sin-
12 gle-family and multifamily housing, commercial
13 properties, and public buildings to provide—

14 (A) renewable energy sources for such
15 structures, such as wind, wave, solar, biomass,
16 or geothermal energy sources, including incen-
17 tives to companies and business to change their
18 source of energy to such renewable energy
19 sources and for changing the sources of energy
20 for public buildings to such renewable energy
21 sources;

22 (B) energy efficiency and energy-con-
23 serving improvements and features for such
24 structures; or

1 (C) infrastructure related to the delivery of
2 electricity and hot water for structures lacking
3 such amenities.

4 (2) ELIGIBILITY.—To be eligible to receive a
5 loan under this subsection, a State or Indian tribe,
6 directly or through an appropriate State or tribal
7 agency, shall submit to the Secretary an application
8 at such time, in such manner, and containing such
9 information as the Secretary may require.

10 (3) CRITERIA FOR APPROVAL.—The Secretary
11 may approve an application of a State or Indian
12 tribe under paragraph (2) only if the Secretary de-
13 termines that the State or tribe will use the funds
14 from the loan under this subsection to carry out a
15 program to provide incentives described in para-
16 graph (1) that—

17 (A) requires that any such renewable en-
18 ergy sources, and energy efficiency and energy-
19 conserving improvements and features, devel-
20 oped pursuant to assistance under the program
21 result in compliance of the structure so im-
22 proved with the energy efficiency standards
23 under section 4(a) of this Act; and

24 (B) includes such compliance and audit re-
25 quirements as the Secretary determines are nec-

1 essary to ensure that the program is operated
2 in a sound and effective manner.

3 (4) PREFERENCE.—In making loans during
4 each fiscal year, the Secretary shall give preference
5 to States and Indian tribes that have not previously
6 received a loan under this subsection.

7 (5) MAXIMUM AMOUNT.—The aggregate out-
8 standing principal amount from loans under this
9 subsection to any single State or Indian tribe may
10 not exceed \$500,000,000.

11 (6) LOAN TERMS.—Each loan under this sub-
12 section shall have a term to maturity of not more
13 than 10 years and shall bear interest at annual rate,
14 determined by the Secretary, that shall not exceed
15 interest rate charged by the Federal Reserve Bank
16 of New York to commercial banks and other deposi-
17 tory institutions for very short-term loans under the
18 primary credit program, as most recently published
19 in the Federal Reserve Statistical Release on se-
20 lected interest rates (daily or weekly), and commonly
21 referred to as the H.15 release, preceding the date
22 of a determination for purposes of applying this
23 paragraph.

1 (7) LOAN REPAYMENT.—The Secretary shall
2 require full repayment of each loan made under this
3 section.

4 (e) INVESTMENT OF AMOUNTS.—

5 (1) IN GENERAL.—The Secretary of the Treas-
6 ury shall invest such amounts in the Fund that are
7 not, in the judgment of the Secretary of the Treas-
8 ury, required to meet needs for current withdrawals.

9 (2) OBLIGATIONS OF UNITED STATES.—Invest-
10 ments may be made only in interest-bearing obliga-
11 tions of the United States.

12 (f) REPORTS.—

13 (1) REPORTS TO SECRETARY.—For each year
14 during the term of a loan made under subsection
15 (d), the State or Indian tribe that received the loan
16 shall submit to the Secretary a report describing the
17 State or tribal alternative energy sources program
18 for which the loan was made and the activities con-
19 ducted under the program using the loan funds dur-
20 ing that year.

21 (2) REPORT TO CONGRESS.—Not later than
22 September 30 of each year that loans made under
23 subsection (d) are outstanding, the Secretary shall
24 submit a report to the Congress describing the total
25 amount of such loans provided under subsection (d)

1 to each eligible State and Indian tribe during the fis-
2 cal year ending on such date, and an evaluation on
3 effectiveness of the Fund.

4 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
5 authorized to be appropriated to the Fund
6 \$5,000,000,000.

7 (h) DEFINITIONS.—For purposes of this section, the
8 following definitions shall apply:

9 (1) INDIAN TRIBE.—The term “Indian tribe”
10 has the meaning given such term in section 4 of the
11 Native American Housing Assistance and Self-De-
12 termination Act of 1996 (25 U.S.C. 4103).

13 (2) STATE.—The term “State” means each of
14 the several States, the Commonwealth of Puerto
15 Rico, the District of Columbia, the Commonwealth
16 of the Northern Mariana Islands, Guam, the Virgin
17 Islands, American Samoa, the Trust Territories of
18 the Pacific, or any other possession of the United
19 States.

20 **SEC. 24. GREEN BANKING CENTERS.**

21 (a) INSURED DEPOSITORY INSTITUTIONS.—Section 8
22 of the Federal Deposit Insurance Act (12 U.S.C. 1818)
23 is amended by adding at the end the following new sub-
24 section:

25 “(x) ‘GREEN BANKING’ CENTERS.—

1 “(1) IN GENERAL.—The Federal banking agen-
2 cies shall prescribe guidelines encouraging the estab-
3 lishment and maintenance of ‘green banking’ centers
4 by insured depository institutions to provide any
5 consumer who seeks information on obtaining a
6 mortgage, home improvement loan, home equity
7 loan, or renewable energy lease with additional infor-
8 mation on—

9 “(A) obtaining an home energy rating or
10 audit for the residence for which such mortgage
11 or loan is sought;

12 “(B) obtaining financing for cost-effective
13 energy-saving improvements to such property;
14 and

15 “(C) obtaining beneficial terms for any
16 mortgage or loan, or qualifying for a larger
17 mortgage or loan, secured by a residence which
18 meets or will meet energy efficiency standards.

19 “(2) INFORMATION AND REFERRALS.—The in-
20 formation made available to consumers under para-
21 graph (1) may include—

22 “(A) information on obtaining a home en-
23 ergy rating and contact information on quali-
24 fied energy raters in the area of the residence;

1 “(B) information on the secondary market
2 guidelines that permit lenders to provide more
3 favorable terms by allowing lenders to increase
4 the ratio on debt-to-income requirements or to
5 use the projected utility savings as a compen-
6 sating factor;

7 “(C) information including eligibility infor-
8 mation about, and contact information for, any
9 conservation or renewable energy programs,
10 grants, or loans offered by the Secretary of
11 Housing and Urban Development, including the
12 Energy Efficient Mortgage Program;

13 “(D) information including eligibility infor-
14 mation about, and contact information for, any
15 conservation or renewable energy programs,
16 grants, or loans offered for qualified military
17 personal, reservists, and veterans by the Sec-
18 retary of Veterans Affairs;

19 “(E) information about, and contact infor-
20 mation for, the Office of Efficiency and Renew-
21 able Energy at the Department of Energy, in-
22 cluding the weatherization assistance program;

23 “(F) information about, and contact infor-
24 mation for, the Energy Star Program of the
25 Environmental Protection Agency;

1 “(G) information from, and contact infor-
2 mation for, the Federal Citizen Information
3 Center of the General Services Administration
4 on energy-efficient mortgages and loans, home
5 energy rating systems, and the availability of
6 energy-efficient mortgage information from a
7 variety of Federal agencies; and

8 “(H) such other information as the agen-
9 cies or the insured depository institution may
10 determine to be appropriate or useful.”.

11 (b) INSURED CREDIT UNIONS.—Section 206 of the
12 Federal Credit Union Act (12 U.S.C. 1786) is amended
13 by adding at the end the following new subsection:

14 “(x) ‘GREEN BANKING’ CENTERS.—

15 “(1) IN GENERAL.—The Board shall prescribe
16 guidelines encouraging the establishment and main-
17 tenance of ‘green banking’ centers by insured credit
18 unions to provide any member who seeks informa-
19 tion on obtaining a mortgage, home improvement
20 loan, home equity loan, or renewable energy lease
21 with additional information on—

22 “(A) obtaining an home energy rating or
23 audit for the residence for which such mortgage
24 or loan is sought;

1 “(B) obtaining financing for cost-effective
2 energy-saving improvements to such property;
3 and

4 “(C) obtaining beneficial terms for any
5 mortgage or loan, or qualifying for a larger
6 mortgage or loan, secured by a residence which
7 meets or will meet energy efficiency standards.

8 “(2) INFORMATION AND REFERRALS.—The in-
9 formation made available to members under para-
10 graph (1) may include—

11 “(A) information on obtaining a home en-
12 ergy rating and contact information on quali-
13 fied energy raters in the area of the residence;

14 “(B) information on the secondary market
15 guidelines that permit lenders to provide more
16 favorable terms by allowing lenders to increase
17 the ratio on debt-to-income requirements or to
18 use the projected utility savings as a compen-
19 sating factor;

20 “(C) information including eligibility infor-
21 mation about, and contact information for, any
22 conservation or renewable energy programs,
23 grants, or loans offered by the Secretary of
24 Housing and Urban Development, including the
25 Energy Efficient Mortgage Program;

“(D) information including eligibility information about, and contact information for, any conservation or renewable energy programs, grants, or loans offered for qualified military personal, reservists, and veterans by the Secretary of Veterans Affairs;

“(E) information about, and contact information for, the Office of Efficiency and Renewable Energy at the Department of Energy, including the weatherization assistance program;

“(F) information from, and contact information for, the Federal Citizen Information Center of the General Services Administration on energy-efficient mortgages and loans, home energy rating systems, and the availability of energy-efficient mortgage information from a variety of Federal agencies; and

“(G) such other information as the Board or the insured credit union may determine to be appropriate or useful.”.

SEC. 25. GAO REPORTS ON AVAILABILITY OF AFFORDABLE MORTGAGES.

(a) STUDY.—The Comptroller General of the United States shall periodically, as necessary to comply with subsection (b), examine the impact of this Act and the amend-

1 ments made by this Act on the availability of affordable
2 mortgages in various areas throughout the United States,
3 including cities having older infrastructure and limited
4 space for the development of new housing.

5 (b) TRIENNIAL REPORTS.—The Comptroller General
6 shall submit a report once every 3 years to the Committee
7 on Financial Services of the House of Representatives and
8 the Committee on Banking, Housing, and Urban Affairs
9 of the Senate that shall include—

10 (1) a detailed statement of the most recent
11 findings pursuant to subsection (a); and

12 (2) if the Comptroller General finds that this
13 Act or the amendments made by this Act have di-
14 rectly or indirectly resulted in consequences that
15 limit the availability or affordability of mortgages in
16 any area or areas within the United States, includ-
17 ing any city having older infrastructure and limited
18 space for the development of new housing, any rec-
19 ommendations for any additional actions at the Fed-
20 eral, State, or local levels that the Comptroller Gen-
21 eral considers necessary or appropriate to mitigate
22 such effects.

23 The first report under this subsection shall be submitted
24 not later than the expiration of the 3-year period begin-
25 ning on the date of the enactment of this Act.

1 **SEC. 26. PUBLIC HOUSING ENERGY COST REPORT.**

2 (a) COLLECTION OF INFORMATION BY HUD.—The
3 Secretary of Housing and Urban Development shall obtain
4 from each public housing agency, by such time as may
5 be necessary to comply with the reporting requirement
6 under subsection (b), information regarding the energy
7 costs for public housing administered or operated by the
8 agency. For each public housing agency, such information
9 shall include the monthly energy costs associated with
10 each separate building and development of the agency, for
11 the most recently completed 12-month period for which
12 such information is available, and such other information
13 as the Secretary determines is appropriate in determining
14 which public housing buildings and developments are most
15 in need of repairs and improvements to reduce energy
16 needs and costs and become more energy efficient.

17 (b) REPORT.—Not later than the expiration of the
18 12-month period beginning on the date of the enactment
19 of this Act, the Secretary of Housing and Urban Develop-
20 ment shall submit a report to the Congress setting forth
21 the information collected pursuant to subsection (a).

22 **SEC. 27. INSURANCE COVERAGE FOR LOANS FOR FINANC-**
23 **ING OF RENEWABLE ENERGY SYSTEMS**
24 **LEASED FOR RESIDENTIAL USE.**

25 (a) PURPOSES.—The purposes of this section are—

1 (1) to encourage residential use of renewable
2 energy systems by minimizing up-front costs and
3 providing immediate utility cost savings to con-
4 sumers through leasing of such systems to home-
5 owners;

6 (2) to reduce carbon emissions and the use of
7 nonrenewable resources;

8 (3) to encourage energy-efficient residential
9 construction and rehabilitation;

10 (4) to encourage the use of renewable resources
11 by homeowners;

12 (5) to minimize the impact of development on
13 the environment;

14 (6) to reduce consumer utility costs; and

15 (7) to encourage private investment in the
16 green economy.

17 (b) AUTHORITY.—The Secretary of Housing and
18 Urban Development may, upon application by an author-
19 ized renewable energy lender and in accordance with such
20 terms and conditions as the Secretary may prescribe, con-
21 sistent with the purposes of this section, make commit-
22 ments to insure, and insure, loans made by such lenders
23 to homebuilders, renewable energy installers or manufac-
24 turers, public or private corporations or partnerships, as-
25 sociations, trusts, or other qualified persons or entities,

1 to finance the acquisition of renewable energy systems for
2 lease to homeowners for use at their residences.

3 (c) EFFECTIVE DATE OF INSURANCE.—Insurance
4 provided pursuant to this section for a loan shall become
5 effective only upon the expiration of the 5-year period be-
6 ginning upon the original execution of a renewable energy
7 system lease (as such term is defined in subsection (p))
8 for the renewable energy system.

9 (d) LIMITATION ON PRINCIPAL AMOUNT.—

10 (1) LIMITATION.—The principal amount of the
11 loan insured under this section shall not exceed the
12 residual value of the renewable energy system.

13 (2) RESIDUAL VALUE.—For purposes of this
14 subsection—

15 (A) the residual value of a renewable en-
16 ergy system shall be the amount that is equal
17 to the fair market value of the future revenue
18 stream from the sale of the expected remaining
19 electricity production from the system, pursuant
20 to the easement granted in accordance with
21 subsection (e); and

22 (B) the fair market value of the future rev-
23 enue stream for each year of the remaining life
24 of the renewable energy system shall be deter-
25 mined based on the net present value of the re-

1 newable energy system manufacturer's power
2 output production warranty for the system and
3 the forecast of regional residential electricity
4 prices made by the Energy Information Admin-
5 istration of the Department of Energy.

6 (e) EASEMENT FOR SALE OF REMAINING ELEC-
7 TRICITY.—The Secretary may not insure a loan for financ-
8 ing of renewable energy systems under this section unless
9 the borrower under the loan ensures, in accordance with
10 such requirements as the Secretary shall establish, con-
11 sistent with the purposes of this section, that the systems
12 financed will be leased only to homeowners that grant
13 easements sufficient to provide for the sale of remaining
14 electricity production from the system to a wholesale or
15 retail electrical power grid.

16 (f) DISCOUNT OR PREPAYMENT.—To encourage utili-
17 zation of renewable energy systems, the Secretary shall en-
18 sure that a homebuilder's or other investor's discount or
19 prepayment of a homeowner's renewable energy system
20 lease shall not adversely affect that homeowner's mortgage
21 requirements.

22 (g) ELIGIBILITY OF LENDERS.—The Secretary may
23 not insure a loan under this section unless the lender mak-
24 ing the loan—

1 (1)(A) is an institution that qualifies as a green
2 banking center pursuant to section 8(x) of the Fed-
3 eral Deposit Insurance Act (12 U.S.C. 1818(x)) or
4 section 206(x) of the Federal Credit Union Act (12
5 U.S.C. 1786(x)); or

6 (B) meets such other requirements as the Sec-
7 retary shall establish for participation of renewable
8 energy lenders in the program under this section;
9 and

10 (2) meets such qualifications as the Secretary
11 shall establish for all lenders for participation in the
12 program under this section and is approved by the
13 Secretary as meeting such qualifications.

14 (h) CERTIFICATE OF INSURANCE.—Insurance of a
15 loan under this section shall be evidenced by a certificate
16 of insurance coverage issued by the Secretary to the lender
17 under the loan. Such certificate shall set forth the fair
18 market value of the future revenue stream for each year
19 of the remaining life of the renewable energy system as
20 determined in accordance with subsection (d).

21 (i) PAYMENT OF INSURANCE.—

22 (1) IN GENERAL.—The Secretary shall provide
23 for the filing of claims for insurance under this sec-
24 tion and the payment of such claims. A claim may
25 be paid only upon a default under the loan insured

1 under this section and the assignment, transfer, and
2 delivery to the Secretary of all rights and interests
3 arising under the loan and all claims of the lender
4 or the assigns of the lender against the borrower or
5 others arising under the loan transaction.

6 (2) LIEN.—Upon payment of a claim for insur-
7 ance of a loan under this section, the Secretary shall
8 be granted a lien on the underlying renewable energy
9 system assets and any associated revenue stream
10 from use of that system, which shall be superior to
11 all other liens on such assets, and the residual value
12 of that system and the revenue stream shall be at
13 least equal to the unpaid balance of the loan amount
14 covered by the certificate of insurance. The Sec-
15 retary shall be entitled to any revenue generated by
16 the renewable energy system from selling electricity
17 to the grid when an insurance claim has been paid
18 out.

19 (j) ASSIGNMENT AND TRANSFERABILITY OF INSUR-
20 ANCE.—The holder of insurance provided under this sec-
21 tion may assign or transfer the insurance in whole or in
22 part, to another lender, subject to such requirements as
23 the Secretary may prescribe.

24 (k) PREMIUMS AND CHARGES.—

1 (1) INSURANCE FEE.—The Secretary shall fix
2 and collect premiums for insurance of loans under
3 this section, that shall be paid by the qualified appli-
4 cant at the time of issuance of the certificate of in-
5 surance to the lender and shall be adequate, in the
6 determination of the Secretary, to cover expenses
7 and probable losses, including any costs (as such
8 term is defined in section 502 of the Federal Credit
9 Reform Act of 1990 (2 U.S.C. 661a) of loan insur-
10 ance under this section. In no event may such pre-
11 mium exceed 3 percent of the principal obligation of
12 the loan being insured. The Secretary shall deposit
13 any premiums collected under this subsection in the
14 Renewable Energy Lease Insurance Fund estab-
15 lished under subsection (l).

16 (2) PROHIBITION ON OTHER CHARGES.—Except
17 as provided in paragraph (1), the Secretary may not
18 assess any fees, including user fees, insurance pre-
19 miums, or charges in connection with loan insurance
20 provided under this section.

21 (l) RENEWABLE ENERGY LEASE INSURANCE
22 FUND.—

23 (1) ESTABLISHMENT.—There is hereby estab-
24 lished the Renewable Energy Lease Insurance Fund,
25 which shall be available to the Secretary without fis-

1 cal year limitation, for the purpose of providing in-
2 surance under this section.

3 (2) CREDITS.—The Fund shall be credited with
4 any premiums collected under subsection (k)(1), any
5 amounts collected by the Secretary under subsection
6 (i)(2), and any associated interest or earnings.

7 (3) AVAILABILITY.—Amounts in the Fund shall
8 be available to the Secretary, in amounts provided in
9 advance in appropriation Acts, for fulfilling any obli-
10 gations with respect to insurance for loans provided
11 under this section and paying administrative ex-
12 penses in connection with this section. Any amounts
13 in the Fund determined by the Secretary to be in ex-
14 cess of amounts currently required at the time of the
15 determination to carry out this section may be in-
16 vested in obligations of the United States.

17 (m) FULL FAITH AND CREDIT.—The certificate of
18 insurance issued by the Secretary under this section shall
19 be backed by the full faith and credit of the United States
20 of America.

21 (n) REGULATIONS.—The Secretary shall issue such
22 regulations as may be necessary to carry out this section.
23 The Secretary shall issue final or interim final regulations
24 not later than the expiration of the 180-day period begin-
25 ning on the date of the enactment of this Act.

1 (o) INELIGIBILITY FOR PURCHASE BY FEDERAL FI-
2 ANCING BANK.—Notwithstanding the provisions of the
3 Federal Financing Bank Act of 1973 (12 U.S.C. 2281 et
4 seq.) or any other provision of law, no debt obligation that
5 is insured or committed to be insured by the Secretary
6 under this section shall be subject to the provisions of such
7 Act.

8 (p) DEFINITIONS.—For purposes of this section, the
9 following definitions apply:

10 (1) RENEWABLE ENERGY SYSTEM LEASE.—The
11 term “renewable system energy lease” means an
12 agreement between a qualified investor in a renew-
13 able energy system and a homeowner pursuant to
14 which the homeowner grants an easement to the in-
15 vestor to install, maintain, use, and otherwise access
16 the renewable energy system and leases the use of
17 that system from the qualified investor for a speci-
18 fied term.

19 (2) RENEWABLE ENERGY SYSTEM.—The term
20 “renewable energy system” means a system that
21 generates energy from naturally replenished energy
22 sources such as sunlight, wind, rain, tides or geo-
23 thermal heat.

1 (3) RENEWABLE ENERGY MANUFACTURER.—

2 The term “renewable energy manufacturer” means a
3 manufacturer of renewable energy systems.

4 **SEC. 28. GREEN GUARANTEES.**

5 (a) AUTHORITY TO GUARANTEE “GREEN PORTION”
6 OF ELIGIBLE MORTGAGES.—

7 (1) IN GENERAL.—The Secretary of Housing
8 and Urban Development may make commitments to
9 guarantee under this section and may guarantee, the
10 repayment of the portions of the principal obliga-
11 tions of eligible mortgages that are used to finance
12 eligible sustainable building elements for the housing
13 that is subject to the mortgage.

14 (2) AMOUNT OF GUARANTEE.—A guarantee
15 under this section by the Secretary in connection
16 with an eligible mortgage shall not exceed a percent-
17 age of the green portion (as such term is defined in
18 subsection (g)) of the mortgage, as shall be estab-
19 lished by the Secretary and may be established on
20 a regional basis as the Secretary determines appro-
21 priate.

22 (b) ELIGIBLE MORTGAGES.—To be considered an eli-
23 gible mortgage for purposes of this section, a mortgage
24 shall comply with all of the following requirements:

1 (1) ACQUISITION OR CONSTRUCTION OF HOUS-
2 ING.—The mortgage shall be made for the acquisi-
3 tion or construction of single- or multifamily housing
4 and repayment of the mortgage shall be secured by
5 an interest in such housing.

6 (2) FINANCING OF ELIGIBLE SUSTAINABLE
7 BUILDING ELEMENTS THROUGH GREEN PORTION OF
8 MORTGAGE.—A portion of the principal obligation of
9 the mortgage, which meets the requirements under
10 subsection (c), shall be used only for financing the
11 provision of eligible sustainable building elements for
12 the housing for which the mortgage was made.

13 (3) MAXIMUM MORTGAGE AMOUNT.—The prin-
14 cipal obligation of the mortgage (including the eligi-
15 ble portion of such mortgage, and such initial service
16 charges, appraisal, inspection, and other fees as the
17 Secretary shall approve) may not exceed the fol-
18 lowing amounts:

19 (A) SINGLE-FAMILY HOUSING.—Such dol-
20 lar amounts for single-family housing as the
21 Secretary shall establish, which may be estab-
22 lished on the basis of the number of dwelling
23 units in the housing, as the Secretary considers
24 appropriate.

1 (B) MULTIFAMILY HOUSING.—Such dollar
2 amounts for multifamily housing as the Sec-
3 retary shall establish, which may be established
4 on the basis of the number of dwelling units in
5 the housing and the number of bedrooms in
6 such dwelling units, as the Secretary considers
7 appropriate.

8 (4) REPAYMENT.—The mortgage meets such
9 requirements as the Secretary shall establish to en-
10 sure that there is a reasonable prospect of repay-
11 ment of the principal and interest on the obligation
12 by the mortgagor.

13 (5) MORTGAGE TERMS.—The mortgage shall
14 meet such requirements with respect to loan-to-value
15 ratio, mortgagor credit scores, debt-to-income ratio,
16 and other underwriting standards, term to maturity,
17 interest rates and amortization, including amortiza-
18 tion of the green portion of the mortgage, and other
19 mortgage terms as the Secretary shall establish.

20 (c) LIMITATIONS ON GREEN PORTION OF MORT-
21 GAGE.—The requirements under this subsection with re-
22 spect to the green portion of an eligible mortgage are as
23 follows:

24 (1) PERCENTAGE LIMITATION.—Such portion
25 shall not exceed, in the case of single-family or mul-

1 multifamily housing, 10 percent of the total principal
2 obligation of the mortgage.

3 (2) DOLLAR AMOUNT LIMITATION.—Such por-
4 tion shall not exceed—

5 (A) in the case of single-family housing,
6 such maximum dollar amount limitation as the
7 Secretary shall establish, which may be estab-
8 lished on the basis of the number of dwelling
9 units in the housing, as the Secretary considers
10 appropriate; and

11 (B) in the case of multifamily housing,
12 such maximum dollar amount limitation as the
13 Secretary shall establish, which limitation may
14 be established on the basis of the number of
15 dwelling units in the housing and the number
16 of bedrooms in such dwelling units, as the Sec-
17 retary considers appropriate.

18 (3) COST-EFFECTIVENESS LIMITATION.—Such
19 portion shall not exceed the total present value of
20 the savings (as determined in accordance with sub-
21 section (d)) attributable to the incorporation of the
22 eligible sustainable building elements to be financed
23 with the green portion of the mortgage that are to
24 be realized over the useful life of such elements.

1 (d) ELIGIBLE SUSTAINABLE BUILDING ELE-
2 MENTS.—The Secretary may not guarantee any eligible
3 mortgage under this section unless the mortgagor has
4 demonstrated, in accordance with such requirements as
5 the Secretary shall establish, the amount of savings attrib-
6 utable to incorporation of the sustainable building ele-
7 ments to be financed with the green portion of the mort-
8 gage, as measured by the National Green Building Stand-
9 ard for all residential construction developed by the Na-
10 tional Association of Home Builders and the U.S. Green
11 Building Council, and approved by the American National
12 Standards Institute, as updated and in effect at the time
13 of such demonstration.

14 (e) GUARANTEE FEE.—

15 (1) ASSESSMENT AND COLLECTION.—The Sec-
16 retary shall assess and collect fees for guarantees
17 under this section in amounts that the Secretary de-
18 termines are sufficient to cover the costs (as such
19 term is defined in section 502 of the Federal Credit
20 Reform Act of 1990 (2 U.S.C. 661a)) of such guar-
21 antees.

22 (2) AVAILABILITY.—Fees collected under this
23 subsection shall be deposited by the Secretary in the
24 Treasury of the United States and shall remain

1 available until expended, subject to such other condi-
2 tions as are contained in annual appropriations Acts.

3 (f) PAYMENT OF GUARANTEE.—

4 (1) DEFAULT.—

5 (A) RIGHT TO PAYMENT.—If a mortgagor
6 under a mortgage guaranteed under this section
7 defaults (as defined in regulations issued by the
8 Secretary and specified in the guarantee con-
9 tract) on the obligation under the mortgage—

10 (i) the holder of the guarantee shall
11 have the right to demand payment of the
12 unpaid amount of the guaranteed portion
13 of the mortgage, to the extent provided
14 under subsection (a)(2), from the Sec-
15 retary; and

16 (ii) within such period as may be
17 specified in the guarantee or related agree-
18 ments, the Secretary shall pay to the hold-
19 er of the guarantee, to the extent provided
20 under subsection (a)(2), the unpaid inter-
21 est on, and unpaid principal of the portion
22 of guaranteed portion of the mortgage with
23 respect to which the borrower has de-
24 faulted, unless the Secretary finds that
25 there was no default by the borrower in

1 the payment of interest or principal or that
2 the default has been remedied.

3 (B) FORBEARANCE.—Nothing in this para-
4 graph precludes any forbearance by the holder
5 of an eligible mortgage for the benefit of the
6 mortgagor which may be agreed upon by the
7 parties to the mortgage and approved by the
8 Secretary.

9 (2) SUBROGATION.—

10 (A) IN GENERAL.—If the Secretary makes
11 a payment under paragraph (1), the Secretary
12 shall be subrogated to the rights of the recipi-
13 ent of the payment as specified in the guar-
14 antee or related agreements including, if appro-
15 priate, the authority (notwithstanding any other
16 provision of law)—

17 (i) to complete, maintain, operate,
18 lease, or otherwise dispose of any property
19 acquired pursuant to such guarantee or re-
20 lated agreements; or

21 (ii) to permit the mortgagor, pursuant
22 to an agreement with the Secretary, to
23 continue to occupy the property subject to
24 the mortgage, if the Secretary determines
25 such occupancy to be appropriate.

1 (B) SUPERIORITY OF RIGHTS.—The rights
2 of the Secretary, with respect to any property
3 acquired pursuant to a guarantee or related
4 agreements, shall be superior to the rights of
5 any other person with respect to the property.

6 (C) TERMS AND CONDITIONS.—A guar-
7 antee agreement shall include such detailed
8 terms and conditions as the Secretary deter-
9 mines appropriate to protect the interests of the
10 United States in the case of default.

11 (3) FULL FAITH AND CREDIT.—The full faith
12 and credit of the United States is pledged to the
13 payment of all guarantees issued under this section
14 with respect to principal and interest.

15 (g) DEFINITIONS.—For purposes of this section, the
16 following definitions shall apply:

17 (1) ELIGIBLE MORTGAGE.—The term “eligible
18 mortgage” means a mortgage that meets the re-
19 quirements under subsection (b).

20 (2) GREEN PORTION.—The term “green por-
21 tion” means, with respect to an eligible mortgage,
22 the portion of the mortgage principal referred to in
23 subsection (b)(2) that is attributable, as determined
24 in accordance with regulations issued by the Sec-
25 retary, to the increased costs incurred in financing

1 provision of sustainable building elements for the
2 housing for which the mortgage was made, as com-
3 pared to the costs that would have been incurred in
4 financing the provision of other building elements
5 for the housing for the same purposes that are com-
6 monly or conventionally used but are not sustainable
7 building elements.

8 (3) GUARANTEED PORTION.—The term “guar-
9 anteed portion” means, with respect to an eligible
10 mortgage guaranteed under this section, the green
11 portion of the mortgage that is so guaranteed.

12 (4) MORTGAGE.—The term “mortgage” has the
13 meaning given such term in section 201 of the Na-
14 tional Housing Act (12 U.S.C. 1707).

15 (5) MULTIFAMILY HOUSING.—The term “multi-
16 family housing” means a residential property con-
17 sisting of five or more dwelling units.

18 (6) SECRETARY.—The term “Secretary” means
19 the Secretary of Housing and Urban Development.

20 (7) SINGLE-FAMILY HOUSING.—The term “sin-
21 gle-family housing” means a residential property
22 consisting of one to four dwelling units.

23 (8) SUSTAINABLE BUILDING ELEMENT.—The
24 term “sustainable building element” means such
25 building elements, as the Secretary shall define, that

1 have energy efficiency or environmental sustain-
2 ability qualities that are superior to such qualities
3 for other building elements for the same purposes
4 that are commonly or conventionally used.

5 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
6 authorized to be appropriated for costs (as such term is
7 defined in section 502 of the Federal Credit Reform Act
8 of 1990 (2 U.S.C. 661a) of guarantees under this section
9 \$500,000,000 for each of fiscal years 2010 through 2014.

10 (i) REGULATIONS.—The Secretary shall issue any
11 regulations necessary to carry out this section.

○